

VYSOKÁ ŠKOLA BÁŇSKÁ – TECHNICKÁ UNIVERZITA OSTRAVA
EKONOMICKÁ FAKULTA

KATEDRA ÚČETNICTVÍ

Soukromé pojištění v České republice
Private Insurance in the Czech Republic

Student: Pavlína Rychnovská
Vedoucí bakalářské práce: Ing. Kateřina Randová

Ostrava 2010

Místopřísežně prohlašuji, že jsem celou bakalářskou práci, včetně příloh vypracovala samostatně.

V Ostravě dne 9. července 2010

.....

Pavlína Rychnovská

Acknowledgements

Firstly, I would like to thank to my personal tutor Ing. Kateřina Randová who was helping me from the beginning until the end of my dissertation. She helped me to start with my dissertation at the beginning of the school year and devoted plenty of time to finish it very properly.

Secondly, I want to thank to my parents who ensured the research in the Czech Republic and supported me throughout the entire year.

Thirdly, I have to thank to our tutor from the Academic Skills who gave us plenty of important suggestions and did not leave us without help when we really needed it.

Table of Contents

1	Introduction.....	1
2	Literature Review.....	4
	2.1 The Financial market.....	5
	2.2 The Contingency	7
	2.3 The insurance.....	8
	2.3.1 The sources of the insurance.....	9
	2.3.2 The insurance company	10
	2.4 The Risk management and the Financial service	11
	2.4.1 Risk management.....	12
	2.4.2 The financial service	14
	2.4.3 The banking.....	14
	2.4.4 How to avoid risk	15
	2.5 Additional insurance	15
	2.5.1 The insurance contract	16
	2.5.2 Insurance segmentation	18
	2.5.3 The voluntary insurance	18
	2.6 Conclusion	26
3	Methodology	28
	3.1 Strategies	28
	3.1.1 Experiment	29
	3.1.2 Sample survey.....	29
	3.1.3 Case study	29
	3.1.4 Online researches	30
	3.2 Research.....	30
	3.2.1 Research method	30
	3.3 Sampling	32
	3.3.1 Sampling methods.....	33
	3.4 Design of questionnaire	34
	3.5 Distribution of questionnaire	35
	3.6 Pilot study.....	35
	3.7 Limitations of research	36
	3.8 Data analysis.....	36
4	Research Results and Analysis	38
	4.1 Results of personal questions.....	39
	4.2 Insurance market results	47

4.3 Influences between particular questions	62
5 Conclusion	75
References	79
List of Tables and Figures	
Prohlášení o využití výsledků bakalářské práce	
Seznam příloh	
Appendix	

1 Introduction

The insurance industry generates one of the most important element within the Czech Republic. The first records speaking about the insurance industry go back to 2,500 years before Christ. It took a long time for the insurance industry to become such a huge industry as we know today (Ducháčková, 2009). An origin of the insurance industry dates back to the 16th century (Cox and Fardon, 1994). During the 18th century the first insurance companies appeared. The most popular insurance policies, people used to buy at that time, were fire, sea and life insurance policies. These were sold mostly along the coastal countries and later in the continental and in-land countries as well. At the beginning of the 19th century one can see that commercial insurances began to appear, which is a specific kind of insurance business dealing with insurance products. At the end of the 19th century the insurance was popular among the general population and it has been evolving very fast since then (Westall, 2002). During the last twenty years one can see that there occurred big changes within insurance markets. The competition was strengthened, the electronic commerce was founded, globalization between insurance institutions occurred and moreover, more risks appeared within the insurance markets (Cummins and Venard, 2008).

It is important to mention the situation of the insurance globally. The international insurance markets rose considerably worldwide. The leading position as the biggest insurance market has the United States followed by the Japan insurance market. Other important countries are the United Kingdom, France and Germany. It is obvious that the leading insurance markets are within developed countries. However, there is a significant diversity between countries and the insurance markets. The globalization indeed influences the markets in the borderless world. It cannot be stopped. The main problem is the misunderstanding and obscurity of globalization, which can cause the heterogeneity within global world. In contrary, one can see plenty of advantages within the insurance markets such as the growth in sales, new channels for distribution, the convergence and the banking. A big disadvantage of the insurance markets is the existence of unpredictable events, which can be disastrous. One can see plenty of risks in our society such as terrorism, global warming and many other natural disasters. It is significant to avoid these kinds of risk and to diversify the risks (Cummins and Venard, 2008). There is no question “if” but “when” to pay insurance rate because of the high uncertainty within the society. No one can predict the future and what will happen in the future. The level of uncertainty is indeed important for the decision-making process (Mutenga and

Staikouras, 2007). The avoidance of risks and unexpected events, which may happen very fast, is really significant in modern society. It is better to be prepared for unpredictable accidents. What will one do when the death of a close person comes when least expected? (Pirnerová, 2007)

Nowadays, nobody can imagine staying uninsured within the ever evolving global economy. New technologies are being created every day and the science is progressing very fast. The 20th century prepared plenty of changes, which may become disastrous for unprepared individuals. It has been established that the additional insurance is more in demand among people who live in modern society. People think about insurance more often because we all experience one of the biggest crises around the world. They are afraid of financial losses, losses of their property or even injury or death of a close person. Generally, when problems occur on the market people start to buy additional insurance more.

The main aim of this study was to answer the most important questions on the insurance market from the point of view of customers (insured or uninsured persons). The research was focused on these questions: why and when people buy insurance, how they buy the insurance, what kind of insurance is the most important to them and the most in demand on the market, the popularity among individuals, differences among older and younger people, issues relevant to educated and less educated people and higher or less paid people. There may occur some various patterns in terms of marital status of individuals and people who live in joint households with and so on. The research provided very interesting findings, which will be discussed below in the section research results.

The study was divided into five chapters. Chapter 1 contained two parts. The first one was focused on the financial markets and situation on these markets. The second part moved to the particular kinds of insurance. Chapter 2 included the strategies and research methods, which were used for the research among people in the Czech Republic. The chosen method for collecting data was questionnaire due to the uncomplicated analysing after. The final group of people had to be rethought very properly in order to gain interesting data. The design of questionnaire had to be prepared substantially to avoid misunderstanding and empty answers. Chapter 3 focused on results collected from the research and discussed the findings. Graphs and tables were included for better illustration of results. Moreover, the correlations between particular questions could not be excluded because of interesting findings. Chapter 4, conclusion, has tried to summarize all the results and connections between literature

review and collected data. It was necessary to compare differences and similarities between these two sections – the theory and the praxis. Chapter 5 offers a reference list. At the end, the questionnaire in both languages – Czech and English were enclosed as well as the reference list.

2 Literature Review

The first part of the literature review is concentrated on the importance of the insurance. Firstly, it focuses on the financial market, because the connection between the financial market and the insurance is very important. The insurance is a large part of the financial market. Then it will investigate the contingency within markets and the unknown future. It can be prevented and solved by transformation of risks over to the another subject, which are the intermediaries. The insurance is helpful for people because it provides them with security and peace of mind. The global insurance expanded considerably and individuals prefer to pay insurance rate, which is small expense in comparison with taking risks of unknown, much bigger and maybe disastrous loss. The most common instrument how to pay insurance is through the insurance company. However, we are living in modern society filled with state-of-the-art technology, which means that people can make use of insurance services faster and easier. That is through internet. The insurance offers two approaches. It can be understood as a risk management or as a financial service. Moreover, substantial place within the insurance takes the banking, because the banks are potential customers of insurance companies and partners in plenty of fields. At the end, this study concentrates on the significance to pay a small insurance rate instead of taking risks. The insurance is the most important tool protecting individuals against the risk and the contingency and keeps the financial continuity.

The second part of this literature review focuses mainly on the consumer behaviour. It contains the insurance contract, which has to be concluded in order to become valid and moreover, some basic points specified within the contract. The insurance can be divided into two main stages and that is the voluntary and mandatory insurance. Nowadays, people are really interested in paying insurance because 21st century is changing too fast and nobody can be prepared for unexpected events that may occur in the society. The predominant part of the dissertation focuses on the particular voluntary (additional) insurance, the description of individual kinds, what they include and the reasons for buying these kinds of insurance. The most important part of the dissertation will concentrate on the research among people. One can notice the possibilities how to collect data due to particular methods. Chosen method, the questionnaire, has to be carried out carefully to avoid misunderstanding of individuals. The main aim of this part is to analyse the gained information and find out why some people insure themselves more than others.

2.1 The Financial market

Nowadays, we are living in a modern society, with a form of capital market (Gili and Cheng-few, 2008). This market is based on the transfers between fund providers and users, which includes firms, individuals and the large item government bodies (Midgley and Burns, 1977). It does not have any locality, it is where the supplier and user of the capital do their business. It is provided for a long-run term (Howells and Bain, 2000). Additionally, it is mainly done through the telephone (Midgley and Burns, 1977). It can take place through the direct or indirect financing. The direct financing includes the transformation from the financial instruments to the public and the indirect financing means borrowing money from the financial intermediaries (Gili and Cheng-few, 2008). The most common instruments for a trading are “bonds and equities or company shares.” (Howells and Bain, 2000; p.169). Other tools of trading can be “managed funds, options, warrants and international shares.” (Bekiaris, 2006; p.86) The most significant role of the capital market is the creation of liquidity, because it is an instrument whereby the supplier and the buyer may change their goods for favourable prices (Midgley and Burns, 1977).

The financial market has an important role within the economy (PG Gugler, 2005) and moreover, it creates really strong sector around the world (Walter, 2009). The main role is to bring together two groups of people: the buyers and the sellers (Howells and Bain, 2000). Surveillance of this market is necessary because it can maintain the stability and growth of the market, protect people such as “consumers, investors, policyholders and depositors” (PG Gugler, 2005; p.128) and it helps to provide a proper execution of transactions done in the business. The definition of the financial market stability is: “a constant impact of systematic shocks in normal and extreme market situations” (Baur and Schulze, 2009; p.506). Without stability within the financial markets the modern and developed economies cannot operate. The stability can be promoted by the government, which uses “the regulation system, by establishing a lender of last resort or through the provision of guarantees.” (Kohn, 1994; p.753)

This market helps to change some instruments like “stocks, bills and bonds, foreign exchange, futures, options and swaps” (Cuthbertson and Nitzsche, 2008, p.4). The common name for these instruments is „*securities*“. Plenty of these securities are indeed negotiable in a short term or immediately. The holder of the security can sell the security fast and without high costs. They are the most marketable (Scott, 1991). However, some securities, for instance bonds, stocks, are not “*readily negotiable*“ and they represent only a piece of paper. It does not have any real value. Some other instruments are called

derivatives like “forwards, futures, options, swaps.” (Cuthbertson and Nitzsche, 2008; p.5) They can be regarded as any security if the price of this security is dependent on the price of other financial assets or real assets (Myron S., 1998). The trade between securities can be done over a mobile-phone, computer or face-to-face communication (Cuthbertson and Nitzsche, 2008). The main players within the financial markets are individuals working through intermediaries towards the corporate sector. Intermediaries are very important because they involve transaction costs and risk spreading (Wright et al., 2008). The main intermediaries are as follows: banks, insurance companies operating within the personal sector, pension funds and savings and loan associations.

The financial institutional surveillance is supervised by the state. It is due to the high risk within the financial institutions, which possess plenty of assets. On the other hand, the regulation by the state can decrease competition and efficiency within the markets. However, nobody knows if the reduction in the regulation will ensure competitive market (Howells and Bain, 2000).

The explanation of the financial market depends on the efficiency within this market. The efficient market hypothesis helps to understand the financial market (Dixon and Holmes, 1995) and focuses on outcomes and decisions provided by the stock prices (G. Margota, 1995). That means, how the markets specify their resources (Howells and Bain, 2000). The Efficient Markets Hypothesis (EMH) is defined such as “the price of a financial asset which reflects all available information that is relevant to its value.” (Economist, 2009; p.68). Howells et al. (2000; p.259) mention that EMH is: “the proposition that prices of financial assets adjust instantaneously to all relevant news.” Additional definition was introduced by Dobbins et al. (1979; p.65), which is: “share prices fully reflect all available information, any new or shock information being very rapidly incorporated into the share price.” It is important to find out whether the available information were useful or not and moreover, if the information helps to achieve the success in obtaining the surplus returns. The financial market is efficient when we can insure these three elements: no transactions costs, the information are accessible to each individual who is interested in it without any cost and in addition, the individuals agree with implications of information for current prices and future prices of each security (G. Margota, 1995). To sum up, it is efficient if the markets use their resources in the most effective way (Howells and Bain, 2000).

One can see the indisputable connection between the insurance and the financial market. The insurance market and the insurance is inseparable and a really strong part of the

financial market in all developed economies (Jawadi et al., 2009). It was one of the developments in the past, which has begun with the process of the globalization. It is mainly between capital markets and additional insurance sectors (Cummins and Weiss, 2009). It is important to mention that the financial markets were restored last year in connection with the capital return to the additional insurance sector (McCarthy, 2009). The reason for this relationship is an extensive accumulation of financial resources and institutions, which administer these financial resources (Majtánová et al., 2006). It is also connected with the existence of the contingencies, which represent negative factors for the individuals and the human society (Cummins and Venard, 2008). The insurance is indeed reliable source showing the power within particular economies. It is extraordinary important sector within each economy and the function of the insurance cannot be replaced within the states. The insurance is still evolving and participants have to adjust to the changing claims, especially within legislation, stronger competition and to general change in conditions of the business (Majtánová et al., 2006). It started to be so important because of the increasing risk occurrences (Cummins and Weiss, 2009).

2.2 The Contingency

The current development of the human society is characterised by the process of big technical and economic changes and the more effective activity of people, which means a accumulation of big values in the world. On one hand, it can ensure higher living standard. However, on the other hand, it may cause a damage of the environment and bigger risk and danger within the human society (Majtánová et al., 2006). The individuals and the human society have always been influenced by the negative consequences of contingent events. The extent of these consequences is changing during the development, which has been at a high level in 20th century because of the globalization process and because it depended on the integration process across the borders both - within Europe and all over the world (Mercado et al., 2001). Moreover, it evokes the pressures on the institutions ensuring protection of the human society and the financial continuity.

The maintenance of the financial continuity is a major problem within all economies. The main cause of the ambiguity is a contingency by which the population is still endangered because of the occasional and unpredictable nature effects such as the natural disasters (floods, earthquakes, diseases) and in addition, also terrorist attacks (Cummins and Venard, 2008). On one side, it is possible to cope with some consequences of contingencies, which exist due to development of new technologies within global

economy, however, on the other side, there is always a creation of new events, facts, which invoke negative consequences of contingencies (Worthington and Britton, 2006). Hence, it is necessary to search for new forms to protect the society and to insure the financial continuity (Majtánová et al., 2006). The important way how to avoid this kind of risk is to have an insurance policy, which is an elimination of the contingency (Virginia Wallis, 1998).

2.3 The insurance

The insurance industry plays a big role in the human society. That is a specific sector of economy. This industry is sensitive to the buyers and sellers in order to avoid asymmetries (Cummins and Weiss, 2009). There is no certain definition for an insurance, but there are two key features such as a risk transfer and a risk spreading, which are common everywhere (GAO Reports, 2006). Nevertheless, it can be defined as: “an instrument for solving the negative consequences of the contingency due to the economic subjects.” (Ducháčková, 2009; p.14). One more definition is: “insurance is a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies.” (GAO Reports, 2006; p.22) Todd et al. (2000; p.2) mention that: “insurance is a social device for reducing risk by combining a sufficient number of exposure units to make the loss predictable.”

The insurance industry offers a product, which is a financial service – the insurance (Cox and Fardon, 1994). The insurance policy determines what the insurer will and will not pay and informs policyholder about their rights (Virginia Wallis, 1998). The insurance is very important in unexpected situations such as accidents, illnesses and natural disasters (Kohn, 1994). The insurance industry is interested not only in the avoidance of the risk but also in the support of savings and investments of free available funds. It involves all of the insurance institutions, competent of providing insurance business intermediating services. Another aim of the insurance is control of insurance companies, a calculation of insurance rates and creation of the technical reserves and so on. The insurance industry is regulated by the state, which is supervising proper operation of businesses (Cox and Fardon, 1994). However, sometimes it may be difficult for the insurer to pay for the liability. Due to the regulation it is possible to reduce the negative impacts (Majtánová et al., 2006). Moreover, the majority of the insurance contracts take plenty of time, the level of risks are high and the transparency of insurance products is not sufficient (Howells and Bain, 2000).

Main institutions providing insurance policies:

- insurance companies and reinsurance companies, which are the most common on the market.
- insurance agencies behaving as intermediaries.
- state supervision over insurance, which is very important within the insurance industry.
- associations of insurance companies and agencies.
- insurance inspectors, who assist the intermediaries in a plenty of ways.
- financial institutions dealing with insurance beside insurance companies such as banks, which are intermediaries between the insurance company and the policyholder.
- consultation agencies and other firms, which are not so much popular like the others above.

(Burger and D'Antoni, 2004)

There is a difference between the insurance and the insurance industry. The insurance is a sectional economy penetrating plenty of economies. The insurance industry is mainly the commercial insurance representing a specific field of the economy, which to provide the financial elimination of the contingent consequences for the economic activity of the people (Majtánová et al., 2006). In addition, it is necessary to understand the difference between the assurance and the insurance. The assurance means some event, which will happen because it is inevitable. However, the insurance covers the events, which can happen but everybody hopes that they will not happen (Cox and Fardon, 1994).

2.3.1 The sources of the insurance

The insurance intermediaries change the risk and uncertainty into a predictable expense (Kohn, 1994). They are following: the first one is represented by the insurance companies, which are divided into two stages: life insurance companies and general companies (Howells and Bain, 2000). Most of these companies are the public limited companies. The second one is represented by insurance agencies, who are the negotiators between individual policyholders and the insurance companies (Cox and Fardon, 1994). One should take into account that the most effective way how to purchase insurance policy and how to get more information, is to call more than one insurance agency (Virginia Wallis, 1998). The third one is represented by telephone services mainly

for the Car insurance. The last one is represented by banks, which are really favourable within the market. Plenty of them have an insurance company (Cox and Fardon, 1994). The quite new kind of buying insurance is via the internet, which is very popular within our society. It is the easiest way how to ensure yourself and the fastest way, because it will take only few minutes to fill out the required information. Nowadays, it is becoming the most favourite (Česká pojišťovna a.s., 2008).

2.3.2 The insurance company

The main role of insurance companies is to provide the insurance against the loss in finance (Howells and Bain, 2000). They are the most significant item in term of the institutional investor because they possess almost one-third of the financial assets, which are owned by institutions (Levinson, 2006). The insurance company can be a domestic insurance company, an insurance company from another member state or an insurance company located in a third country (Insurance Act, 1999 s 2(1)(a)). The domestic insurance company is a corporation established in the Czech Republic, which can do insurance business (Insurance Act, 1999 s 2(1)(b)). The insurance company of another member state is a corporation within the territory of EU member state or another member state of the European Economic Area, which can do insurance business (Insurance Act, 1999 s 2(1)(c)). Finally, the insurance company of a third country is a corporation within the territory of another country, which is allowed to do insurance business (Insurance Act, 1999 s 2(1)(d)).

The Central Bank has a fundamental role in the insurance company in term of surveillance. The surveillance is provided by the Czech Central Bank and it is related only to the insurance companies, which are within the Czech Republic, where they do their business (ČNB, 2010). Before establishing the insurance company, it is really important to have some capital. And after that, the insurance company is obliged to set the amount of the insurance rate on the basis of real mathematic assumptions in order to meet their commitments.

There are two approaches of the insurance: the risk management and the financial service (Majtánová et al., 2006).

2.4 The Risk management and the Financial service

The risk is a part of everybody's life. Some of the risks can be minimized but the majority of the risks cannot be prevented and have to be accepted. In a competitive environment the risks and profits are going together and without any risks one would see a disappointment (Webb, 2003). It is necessary to divide the insurance and non-insurance risks. The insurance risk is an unfavourable incident, which can happen and it will be covered by the insurance company. On the other hand, the non-insurance risks cannot be insured. The individual has to be alert and try to avoid the risk because everything is in the hands of the individual (Cox and Fardon, 1994).

One common definition of risk is "a potential problem that might delay a project, increase its cost, or otherwise harm the project." (Young, 2009; p.24) The contemporary definition of the risk is following: "the objectified uncertainty regarding the occurrence of an undesirable event." (Webb, 2003, p.17) It is something unfavourable what can happen. Moreover, Ducháčková (2009; p.15) is mentioned in this definition: "The risk is connected with the contingency of the results of the economic events and causes." Yacov Y. (2009; p.1647) adds another definition: "Risk is a measure of the probability and severity of adverse effects." The situation, which can happen, may be positive, negative or both (Webb, 2003). Everybody always thought that risk is only a threat. That is not true. One can find many opportunities and some positive impacts on our projects (Figure 1). (Young, 2009)

Figure 1 Impact of the risks



(Adopted from: Merna and F. Al-Thani, 2005)

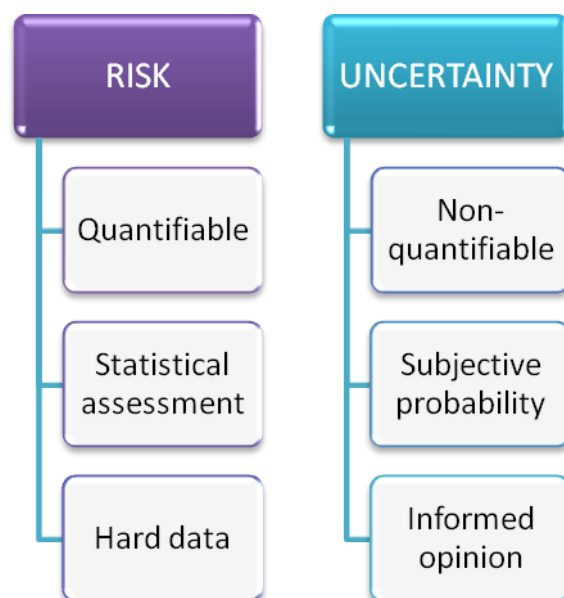
2.4.1 Risk management

In the common market activities, one has to focus on the risk management, because it reflects the willingness and ability to ensure damage prevention and control of activities, using the best technology or methods to avoid the damages and sometimes, it is necessary to consider consequences of market activities (Chorafas, 2005). Ducháčková (2009) adds that the risk management is a special field, which consist of systematic analysis of economic activity in terms of obvious, potential and hidden risks. In addition, it is a rational dealing in a risk situation in order to save present and future assets of the company. The main goal of the risk management is to ensure an acceptable degree of safety with a minimum costs for a prevention and the insurance and to ensure sufficient reserves available for crisis situation solving process, to renew the production and the introduction of the company to a stable position. It is really important for a survival in the present markets because it can determine the risks within the environment. Nowadays, majority of organizations face the risks (Merna and F. Al-Thani, 2005). For the communication between organizations, it is important to ensure the success of their projects (Cervone, 2006).

The risk management is not static process but it is a process of the dynamism (Merna and F. Al-Thani, 2005). At the beginning, it is significant to acknowledge and identify the risk. After evaluation and prioritization of risks that may happen, it is necessary to decide how to cope with these risks and which of the management strategies is the best to use for solving (Meeting News, 2004). The possible consequences have to be taken into account (Merna and F. Al-Thani, 2005). The implementation of the risk management plan can help us to resolve the situation. At the end, it is proper to review and revise the plan as needed (Meeting News, 2004).

The significant point is to recognize the difference between the risk and the uncertainty. These two points are similar but the risk is an expectable incident but nobody can predict the uncertainty, which is unknown and unforeseeable. There is not any possibility or probability to predict the uncertainties (Figure 2) (Merna and F. Al-Thani, 2005).

Figure 2 Risk and uncertainty



(Adopted from: Merna and F. Al-Thani, 2005)

2.4.2 The financial service

The insurance is involved in the finance, whose environment is still evolving. Firstly, the insurance cannot prevent the realization of the contingency. It can only solve the financial consequences. The aim of the insurance is to insure the financial stability and continuity of the economic entity. Secondly, the insurance companies are the financial institutions, because they are the financial investor within the economy. It involves the period between the acceptance of the insurance rate and the payment for the insurance event. Meanwhile, there is the creation of the free available funds, which the insurance companies invest within the financial markets (Laulajainen, 2000). Additionally, there is a necessity of regulation done by the state. It serves as an elimination of the negative impacts (Ducháčková, 2009). The regulation system was changed completely after the establishment of the single currency when one could see a plenty of new opportunities between member states (Ayadi, 2007). Goals of the regulation are following: protection of the clients who are interested in the insurance products, security of the stability of the insurance and the credibility of the specific institutions and support of the transparency while providing insurance services (Ducháčková, 2009).

2.4.3 The banking

One can see the really strong sector of financial services involving the integration between the banking, which has an important role within the economy and the insurance. It is caused by the similarity within the banking and insurance products. The activities of banks and insurance companies are closely connected or the insurance companies can be under the control of the banks (Cox and Fardon, 1994). The banks may provide a sale of insurance products. Banks and insurance companies are partners, cooperating in plenty of fields. Insurance companies use the banks in term of premium income and as a payout methods for damage reimbursement, they deposit free available funds in savings accounts or they can set a fulfilment of an investment operation (Ducháčková, 2009). The banks are potential insurance customers because the insurance tries to make relationship with customers. They have to offer good price because customers are looking for a good value (Sclafane, 1997). Moreover, the banks focus on the price and the insurance companies target the cost. On the other hand, one can see some dissimilarities between these two sectors. It may be in “demographics, the structure of liabilities, the scale of operations, regulation and accounting practices and distribution channels” (Beltratti and Corvino, 2008; p.363). The extent of the convergence is not stable enough (Beltratti and Corvino, 2008). Between 1990-2003, the banking and the

insurance sector went through big changes. Many banks and insurance companies were established abroad due to internationalization within banks and insurance companies, which caused some resembling sings between them (Focarelli and Pozzolo, 2008).

2.4.4 How to avoid risk

The defence against the consequences of the risk can be solved by two possibilities. The first one is that the individual possesses his own financial reserves (the whole company, enterprise, family, individual) or one can transfer the risk to the insurance company in order to have insurance policy (Virginia Wallis, 1998). The own funds are the resources, which can be invested in some business or for anything else, because they are his own savings (Cox and Fardon, 1992). It has to be ensured that the policyholder will be able to pay (Gaselee, 1984). The first possibility can be effective, if the risks are expectable, periodic, intensive in the same way, and moreover, it is feasible only if one keeps sufficient amount of own resources to cover the losses. It is cheaper in the long-run period than the transformation of own financial reserves to another subject, the insurance company. The individual person is saving his life by taking the insurance and ensuring the avoidance of the huge and disastrous loss with inestimable financial consequences for a small fee – the insurance rate. It helps to absorb the accidental danger and keep the financial continuity (Majtánová et al., 2006). The popularity of the insurance increases each year but there is a plenty of people who think that they have enough money to cover unpredictable losses (Ceniceros et al., 2006).

2.5 Additional insurance

The additional insurance is about paying individuals if they have “*a valid claim*” but it is giving them nothing back if they do not (Howells and Bain, 2000). The key aspect of the additional insurance is transformation of the risks to another subject (GAO Reports, 2006). The most important point for insurance is the gathering of the financial amounts, which means premiums from customers and they are collected from the policyholders and the insured persons. By this way the so-called reserve of insurance is created. Whenever an incident occurs to a customer, who has entered into an insurance agreement, they obtain the appropriate amount from this reserve (Insurance Act, 2008 s. 37(2)). A percentage of the reserve is retained by the insurance company to cover their operational costs (Koopertiva, 2009). Mainly, it is in a form of money, but there is another possibility in the form of physical fulfilment (Ducháčková, 2009). The significant point is that policyholders have to look at the number of individuals who want to be

insured against the same risk. There is a rule saying that if an individual wants to have higher coverage, he has to pay more. It is really interesting that it also depends on personal factors and how they influence the possibility of the policyholder to be able to pay (Virginia Wallis, 1998). It depends on the level of the risk. If individual lives in a dangerous area, he will pay more for his insurance, or if he is inexperienced driver or if he caused several accidents, it is more likely that he will have to pay more for the Car insurance, or the older the individual is, the more he will pay for his life insurance, and so on (Howells and Bain, 2000).

2.5.1 The insurance contract

After deciding to buy an insurance with the best insurer for individuals, it is essential to fill out an application form. If an individual calls by a telephone, the questions are the same as on the form. After that, the individual receives a copy of a form to sign. Further, the insurer will accept the application and the individual will have to pay a premium. He receives his policy, which is indeed important. If everything is in order, the individual is covered. If not, the individual can ask questions until he is satisfied or he may not take his policy (Virginia Wallis, 1998).

It means that the agreement is concluded between two persons, the insurance company and the person who wants to have the insurance policy (Cox and Fardon, 1994). It has to be in a written form, specifying the insurance conditions and the conditions of the realization of the insurance, which are obligatory for both the insurance company and the individual (Finanční vzdělání, 2007). However, in some cases the insurance policy can be purchased even without the written form. It can be the statutory insurance or the insurance for a short-time, when the period of the insurance is shorter than one year (Dawson, 1948).

The insurance is created the first day after concluding the insurance policy contract (immediately after the conclusion of the contract), unless the insurance contract specifies that the policy becomes valid later (Insurance Act, 2008 s 37(6)(5)). It lasts for period of insurance and one has to pay the insurance for the whole period. It means that there is the day of expiration in the contract (for example at the age of 18 of the insured person) or there is fixed length of the insurance treaty (for instance five years) (Insurance Act, 2008 s 37(3)(c)). However, it is possible to conclude the contract for an indefinite period of time (Ducháčková, 2009). There may be some circumstances for early termination, which are specified by the relevant law or in the insurance contract (Koopertiva, 2009).

The contract must include:

- the participating parties: the insurer, the policyholder, the policy client and the beneficiary.
- the form of the insurance – if it is additional or mandatory insurance.
- the insurance rate: the amount, the maturity, the form of the payment.
- the period of insurance - it is a period of time during which the insurance is provided. It can be for a fixed period or indefinite period.
- the insurance policy conditions, which has to be kept.

(Insurance Act, 2008 s 37(4))

The insurance can become cancelled:

- expiration period - it is a day specified in the insurance contract. It becomes extinct after the expiration of a certain period.
- agreement between the insurer and the policyholder – these two parts of insurance contract can agree on the expiration of the insurance contract.
- cancellation conditions of the insurer or the policyholder.
- withdrawal from insurance contract – by either side – insurer or policyholder. It is possible after 1 - 3 months after the beginning of the contract. It depends on the particular cases.
- avoidance of insurance contract – by either side – insurer or policyholder. The reason may be caused by the mistakes in the insurance contract.
- non-payment of premium – the insurance may be terminated on the day following the expiry period if the customer fails to pay for his premium.
- other possibilities are following: expiry of risk, expiry of insured items, change in possession of insured property, termination of the insurance corporation without a successor.
- death of the policy client – the individual or the corporation without successor.

(Majtánová et al., 2006)

(Kooprativa, 2009)

(Zpravodaj ÚZ, 2008)

Participants of insurance relationship

- insurer – a provider of any insurance coverage, e.g. an insurance company.
- policyholder – concludes the relevant contract with the insurer and has to pay the insurance rate.
- policy individual – has a right for the reimbursement.
- beneficiary – it can be person or organization, which receives the damage reimbursement in the case of death of the policyholder.
- sufferer – will get the damage reimbursement.

(Kohn, 1994)

2.5.2 Insurance segmentation

The insurance can be divided into two main stages: voluntary and mandatory. The voluntary (commercial) or additional insurance means that the policyholder wants to conclude a contract with other side. The mandatory insurance is divided into other two stages: the mandatory contractual insurance where one can have an obligation to conclude an insurance contract in a legal regulation and the statutory insurance where the duty for the paying insurance follows the law and no one is required to conclude any insurance contract (Meeting News, 2004).

2.5.3 The voluntary insurance

People are thinking about insurance more often when there is a problem on the market. Nowadays, the demand for the insurance is higher due to the crisis in the world and people are frightened due to unpredictable events, which may occur very fast. On the other hand, people want to be more informed before entering into an insurance contract and they are more careful. The weakening period does not have any impact on the insurance industry because people protect themselves more careful in the times like that (Macháčková, 2009). The prognosis of Česká pojišťovna shows that despite of the biggest crisis the insurance industry conducted very well in the year 2008 (Česká pojišťovna, 2008).

The year 2008 was the year of the life insurance. It can be caused by the expectation of individuals who are focusing on the positive prognosis in the evolution of home economy. On the other hand, the non-life insurance noted the stagnation. The car insurance fell by two percent (Síkora, 2008). The car insurance is one of the insurance, which is firstly

cancelled in phase of the crisis within the Czech Republic (Síkora, 2009). Generally, people buy the travel insurance during the holidays and the property insurance when the natural disaster occurs (Česká pojišťovna, 2009). Moreover, the researchers proved that the most often the insurance is bought by men, who are between 25-35 years old, because of the establishment of the family and they want to protect their family in term of unpredictable events (Naše Peníze, 2009).

The commercial insurance can be divided into seven main types:

- Life insurance
 - The Capital Life insurance
 - The Pension insurance
 - The Child insurance
- Accident insurance
 - The Child Accident insurance
 - The Personal Accident insurance
 - The Commercial Health insurance
- Travel and holiday insurance
 - The Insurance for Medical expenses abroad
 - The Liability for damage during the travel
 - The Insurance of luggage
 - The Accident insurance
 - The Insurance against the bankruptcy of the travel agency
 - The Insurance of cancellation charges
- Property and citizen liability insurance
 - The Insurance of your household
 - The Apartment insurance, the Insurance for houses and apartment blocks, the Insurance for country cottages
 - The Additional insurance for liability for damage from the normal course of life
 - The Pet insurance
- Car insurance
- Credit card insurance
- Civil liability insurance

(Cox and Fardon, 1994)

(Kooprativa, 2009)

(Česká pojišťovna, 2008)

(Generali, 2009)

(Allianz, 2010)

Description of each type of insurance

Life insurance

It includes risks coverage, which may endanger the lives of people. It represents the financial certainty for individuals. It is the proper investment of money (Česká pojišťovna, 2008). This type of insurance includes various sorts of insurance for individuals like the Capital Life insurance, the Pension insurance and the Child insurance.

One has to take into account that it is not possible to insure against the death, because everyone knows that it will happen but nobody knows when it will happen (GAO Reports, 2006). It includes two types of risk: when you will live too long or when you will die too soon. When you die too soon it could be a big problem. Firstly, it is important to mention one point and that is “*an untimely death*”, which is defines like a death of person who did not have realized each of his liabilities (education of child, unpaid mortgage, unpaid car loan, and so on). It might cause many problems within his family. The living too long may cause that one can outlive his savings (Kohn, 1994). It can be solved by the life insurance (GAO Reports, 2006). This insurance is significant mainly for people who have young families (Sidime and Scott, 2005).

The Capital Life insurance is a product, which provides payout of the reimbursement in the case of the individual's death or when they reach a specific age. It helps clients to take care of himself and his family in the case of unexpected emergency situations (Marcial, 1984). It is a combination of insurance and saving. One can choose what they want to insure and how much they will put in saving (Česká pojišťovna, 2008).

Like the Capital insurance, the Pension insurance also provides payouts to individuals in the case of the insured individual's death. It is the most profitable form of saving and one of the youngest products on our financial markets. As soon as a specific age is reached the insured client gets “*a pension*” and “*a share of profits*” (Česká pojišťovna, 2008). It can be regarded such as creation of savings (Ducháčková, 2009). It is created by the regular amount for the specific period. Moreover, it is restricted by the age. It can be concluded when the individual reaches the age of 18 (Allianz, 2010). This type of

insurance provides the customers with regular pay off rent from the given age through his life. The period of the payment of the insurance can be for a fixed period or not (it is until the death of policyholder) (Boyce and Ippolito, 2002). One can notice that it is possible to make insurance payments by regular deductions of the relevant amounts from the individual's salary or by single payment (Česká pojišťovna, 2008).

The main reason for the Pension insurance is the low income in the old age. One more reason is that it is a tool of long term savings. It is proper to start saving your money as soon as possible. The best age is around the age of 30. At the beginning it may be a low amount of money because of the young age of the client but with increasing income and carrier it will rise and ensure the satisfaction of the retired client (Pospíšilík, 2008). Nobody thinks that he/she will actively do their job until the end of their lives. In pension times they prefer to relax and devote the leisure time to things, which could not be done or enjoyed before (Kooprativa, 2009).

The Child insurance is a combination of profitable savings and insurer's protection. It is negotiated by the parents of the child. It is obvious that something unexpected can happen to our children and that it can happen more often than to their parents, because children cannot take care of themselves (Generali, 2009). It is really important to provide safety for the future of children (Allianz, 2010). It is paid out until certain age of the child (the maturity of the child, the end of the education, the beginning of the education, marriage and so on). It is mainly determined for a security of children (Hood, 1999). However, one has to be careful about purchasing child insurance because it is not useful for your children. It is only waste of money. The best possibility is the Accident policy which can protect your child, as well as the child insurance and moreover, it is cheaper (Boušová, 2008). On the other hand, for majority of people their children are the most beloved persons they have. Parents want to ensure the financial stability during their children's future when they need it the most (Kooprativa, 2009).

Accident instance

It includes "*a physical disability*" due to an accident, permanent effects of injury, or loss of life as an impact of an accident. Insured product, where the payment of insurance benefit is directly connected to the injury. Firstly, one has to define the term "*an injury*". The injury is unexpected and sudden caused by external powers or by involuntary action of the policyholder (Erman, 2005).

It offers two types. The Child Accident insurance and the Personal Accident insurance. There is important fact that one can insure his child from the day of the birth until the child's death. Additionally, it can include the Commercial Health insurance, which covers stay in a hospital as an impact of accidents and the risk of long-term work disability (Allianz, 2010). Non-productive activities are regarded as least risky. The most dangerous situations are represented by these jobs: rescuer, pyrotechnic, mountaineer, soccer player, boxer and so on (Majtánová et al., 2006).

Some insurance companies provide the group insurance mainly for employees of big firms, women of nursery, primary or secondary school, members of interest groups, corporation or sport clubs, and short-time courses such as children's camps (Generali, 2009).

Before some accident happens to you it is better to protect yourself by the Accident insurance. Nobody knows for how long he/she will have to stay at home without work. It may cause the financial stress and problems in your private life. The employer is responsible for accidents, which will happen to you during the working hours. However, out of working hours any man is responsible for himself (Plischke, 2006).

Travel and holiday insurance

Bekiaris mentions that travel insurance includes injury and getting sick overseas (Bekiaris, 2008). This kind of insurance involves the Insurance for medical expenses abroad, the Liability for damage when travelling in your own vehicle, the Insurance of your luggage, the Accident insurance, the Insurance against the bankruptcy of the travel agency you selected (it is an obligation from 1990) and moreover, the Insurance of cancellation charges, when one has to cancel the trip for these reasons: serious sickness, accident or death of a relative, or if your possessions are damaged due to an act of crime or natural disaster (Allianz, 2010). One can carry insurance for how long he wants but the maximum length of the insurance can be one year (Majtánová et al., 2006). It will provide you with at least minimum protection while staying abroad. It is also possible to insure yourself on your travels within your native country. It is mostly used by businessmen who travel the majority of their working time (Česká pojišťovna, 2008). If you will travel abroad by own car, you should insure your car, as well as yourself (Stride, 2009).

It is important to have insurance while travelling because of the high expenses, which may occur. Medical expenses abroad can be many times higher than your financial capabilities, and a holiday can become a huge financial weight and inconvenience. Do not take risk and be prepared for this unexpected possibility and pay travel insurance. Especially medical insurance, covering you while staying in foreign countries, is necessary (Ševčíková, 2008). "One can be protected against any losses in case the worst happens." (Stride, 2009; p.43) and spend a nice holiday without any difficulties. If something happens to you, you can pay hundreds or thousands for a medical treatment. Bekiaris (2008; p.62) thinks that: "If you cannot afford travel insurance, you cannot afford to travel." Moreover, there are some special things, which should be covered by insurance such as snowboarding or mountain-tours abroad, because these are considered dangerous sport activities (Ginterová, 2010).

Property and citizen liability insurance

This type of insurance mainly covers your household such as the Apartment insurance, the Insurance for houses and apartment blocks and the Insurance for country cottages, the Additional insurance for liability for damage that may occur during normal course of life and finally, the Pet insurance. Moreover, some insurance companies insure your float or plane (Allianz, 2010).

The Insurance of your household is an insurance, which can help clients to protect the equipment of their home and their own personal possessions (Generali, 2009). It includes the possessions such various items, which serve as a satisfaction of different needs (Partyka, 2004). Moreover, the subjects covered by the insurance are valuables and money or items such as artistic, historical, and cultural items, collector items, deposits in bank accounts, bicycles, audio-visual equipment, electronics and parts of the insured house (Sidime and Scott, 2005). However, these are covered only up to a certain amount, because their value is usually very high (Ducháčková, 2009).

The Apartment insurance, the Insurance for houses and apartment blocks, and the Insurance for country cottages offering security in term of natural disasters, burglary and theft, damage or destruction of property, damage, caused by vehicles or injury to the holder of the insured home (Partyka, 2004). The Insurance for apartment blocks includes not only the flats but also some spaces such as garages and cellars. Moreover, the Insurance for houses involves the insurance of garages, pools, glasshouses and fences, as well as the Insurance for apartment blocks. The Insurance of cottages is really

essential because cottage is usually far from home and it is difficult to control your possessions in the cottage (Česká pojišťovna, 2008). It is really widespread on the market because everybody who owns a property should have it insured. What would you do if you lose your house, flat or cottage in term of unexpected event such as flood, fire or burglary?

The Additional insurance for liability for damage, which may occur during the normal course of life, is related to health injury and material damage and other kinds of losses or damages, which may happen on the territory of the Czech Republic, produced by an individual or another member in the house (Kohn, 1994). It does not have to be done on purpose (Generali, 2009). This insurance policy takes into an account any harms, which may be caused by your dog (Kohn, 1994). Moreover, one can insure animals in term of illness or an accident or protect themselves if their animals cause harm to other people (Kooprativa, 2009).

Nevertheless, in the Czech Republic, property insurance is still the number one type of insurance in comparison with the life insurance. People prefer to protect their property instead of their lives (Síkora, 2009). In 2009, the number of uninsured people in the Czech Republic represented 6% of the total amount. Mainly people over the age of 46 did not carry any insurance because they think that it may not happen to them but common problems in households occur very often. Incidents such as the theft, broken pipe or water leaks and damages done by your neighbours (Interier, 2009). Do not forget: "*Your home is your castle*". (Kooprativa, 2009). Moreover, it is significant to compare the value of your possessions after some time because it may change and to carry out an inventory to determine the real price of your property (Kobílková, 2006). You do not have to wait until the damage or theft happens, but people usually behave like that (Král, 2006).

Car insurance

Moreover, there is another type of insurance called the Car insurance. It covers the danger of accident. It does not depend on a wrongful act or may be caused by the policyholder (Ducháčková, 2009). It is the insurance for motor and non-motor cars of all kinds against harm, destruction or auto theft (Allianz, 2010). It provides you with safety and security during travel. It includes damage liability that means the Liability insurance for damage caused by the operation of a vehicle, which has to be carried out by everyone who is an owner of a vehicle (Kohn, 1994). Additionally, man can insure his windscreens, luggage (it is mainly for businessmen who travel the most of their working time),

replacement car (when the car is immobile and it is necessary to have a replacement car), the people inside the vehicle (the insurance seats inside the vehicle, the insurance of the car driver), the insurance of having an assistance available when accident happens, the insurance of the legal protection and the insurance in term of legal process (Generali, 2009).

Do not think that it is only the driver responsibility – as the owner of the vehicle to carry the insurance for liability for damages caused by the use of the vehicle. Be careful because not every individual involved in daily transport is a capable or experienced driver or responsible pedestrian. Nowadays, one can see many reckless and dangerous drivers, who do not care about other people's lives. Do not believe that it will not happen to you. It can happen to anyone (Kooprativa, 2009).

Credit card insurance

This is an insurance combined with a valid account number of an individual, both in domestic and foreign currency. It will provide a financial compensation when your card is stolen or lost and misused by a third person. Moreover, it protects your money when you use your credit card. Nowadays, this insurance is becoming more popular because people like to keep their money protected (Freeman, 2007).

Civil liability insurance

It is an insurance including many kinds of liabilities, both – for individuals and entrepreneurial subjects (Ducháčková, 2009). It is mainly provided to cover damage done by a third person in connection with common activity of such person. It means, if one causes harm, which by the applicable law the individual is responsible for. It can be caused by a mistake such as water leak from washing machine, damaging the wall of your neighbours, broken window of a third person or hitting other person during a fall. The person who caused these damages has to cover that. In some cases you can be responsible for damages, which you are not caused directly. It can be caused by your children, animals and so on (Generali, 2009).

Throughout your whole life you are followed by risks. This insurance will protect you and your family if you live in joint household. It may be related to your pets such as your dog or cat. (Česká pojišťovna, 2008).

2.6 Conclusion

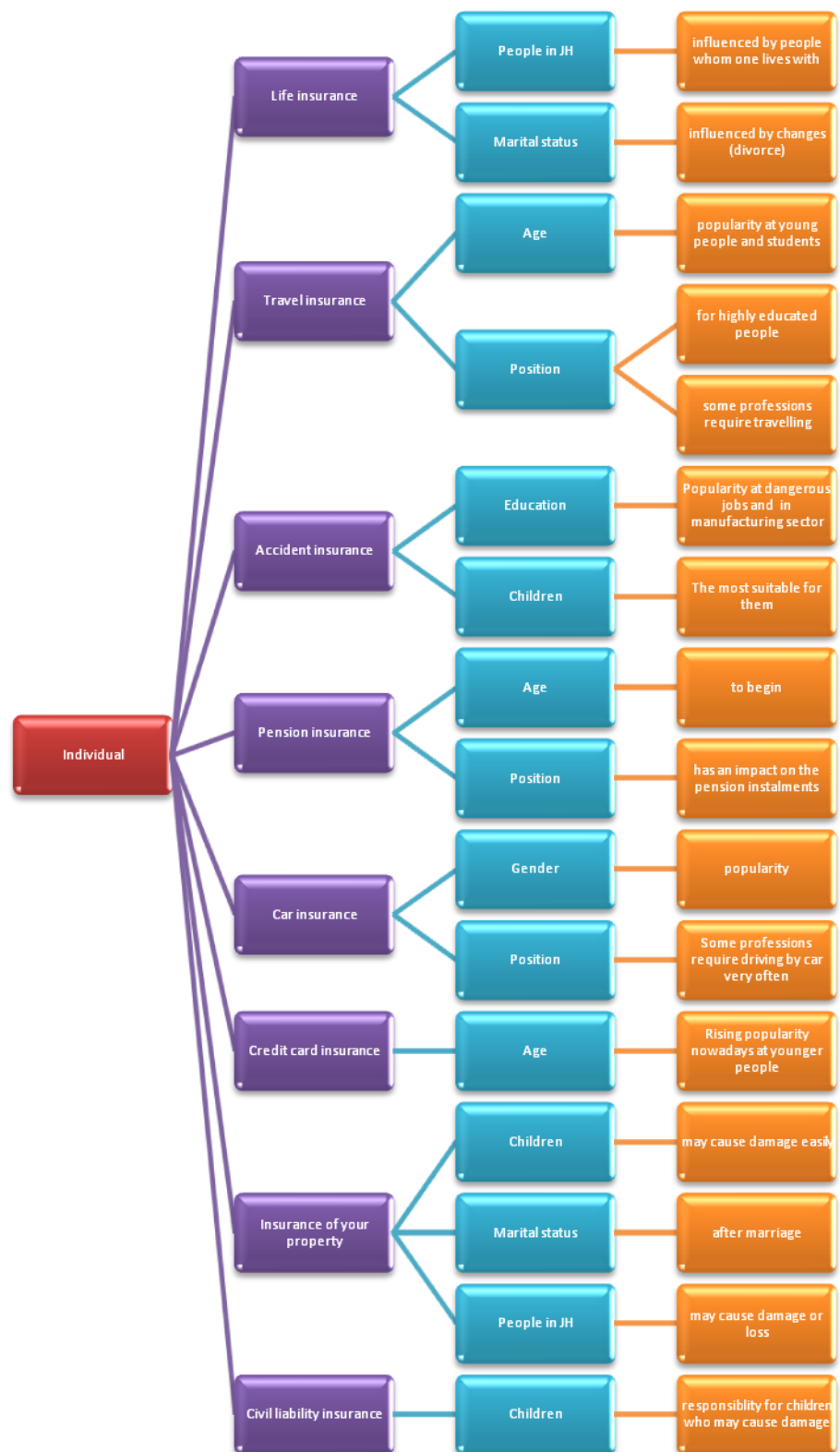
The different researches have proved similar results as far as the situation on the financial markets is concerned and how it works in real life, providing that it covers important issues in the society. One can notice that there were not too many critical opinions as was expected at the beginning because of the unfamiliarity with this market. Majority of researches agree with each other and they are going hand in hand.

At the present time, the insurance market is discussed issue on the market both – domestically and globally. The researchers are still reminding that the insurance is very important and cannot be overlooked. The lack of researchers, who are interested in study of the insurance industry within the Czech Republic evoked more complete searching. It can be the cause because the Czech Republic is really small country and the less interesting for investigators. It is not a country with the leading economy on the market. On the other hand, the own research has provided new knowledge of this market because of the large sample of different respondents.

Finally, the research had to be ensured via internet searching, where one could find plenty of interesting and instructive information. It was investigated among particular insurance companies within the Czech Republic, which have their own web pages and they sell insurance policies online. The results were quite similar. The companies predominantly offer the same kinds of insurance, which are the most important on the market of the Czech Republic. Some of them provide extra insurance occasionally on the Czech market to ensure more benefits for their customers. The number of people, who want to be insured is rising each year because of the speed of changing environment, which can bring unexpected events more often with the unforeseeable consequences.

The next section investigated customer behaviours on the market in the Czech Republic. It explored the insurance market and its popularity. The conceptual framework below shows the connections between particular elements of the insurance industry.

Figure 3 Conceptual framework



3 Methodology

This part of dissertation was focused on research among people. It was the most important part of the dissertation because of own contribution. It investigated changes in the society and present people's behaviour. The insurance industry has altered in a huge proportion because of wide changes within the Czech Republic in the past.

At the beginning, one could notice the main strategies, which were significant for research and the propriety of each of them. The research could be carried out after describing particular strategies. It contained some methods for collecting data. The main source for research was the questionnaire due to simplification and speed in accessing respondents. The focusing on particular people had to be clear in advance to ensure the quality sample. The sampling had to include as many different respondents as one could, to gain wider view of the field of study. It was significant to concentrate on kind of people that should be asked and how to prepare the questionnaire to gain the answers. To think about the design of questionnaire was necessary as well as sampling to avoid misunderstanding and unwillingness of people in filling out the questionnaire. It was ensured by the pilot study, which has been carried out before the main survey to confirm the clarity of the questionnaire. Even if one tried to do the best for collecting data, there could occur some limitations in research. After collecting data it was quite important to decide, which of analysis will be the most proper for description of gained information from the questionnaire.

The main aim of the practical part of the dissertation was to identify which kind of additional insurance is the most favourite in the Czech Republic. Another aim was which kind of people buy insurance the most and what is the reason for them to buy particular kinds of insurance and. The following part firstly introduced some kinds of strategies.

3.1 Strategies

The strategies are closely connected with the research and individual methods of research. It is really important to build up conclusions on the facts not on opinions. This is the reason to look at simplification and observation during the research and moreover, to understand what one is doing. Collaboration of these three things give the strategy. The observation is about saying what one may see and the simplification is about facts. It is the place, which man attempts to achieve. Due to the observation man can bring some

simple facts (Saee, 2007). The research is carried out by the different strategies (Runkel and McGrath, 1972). The most known ones are following: experiment, sample survey, case study, online research and action research. It is quite important to describe these strategies step by step.

3.1.1 Experiment

This is the method, which was not used in the dissertation because there is no possibility to carry out each experiment under the same conditions (Malhotra, 2007). The definition of experiment can be: "it is not the setting but a class of procedures, which can be characterized in one word: *manipulation*." (Mook, 1982; p.89) This is the procedure how to get to the simplification through the manipulation. When one tries to manipulate there can be seen the process of observation, which is really important. At the beginning, it is necessary to provide a decision what to measure and what to manipulate (Malhotra, 2007). This method is characterized by at least two groups of people which have to be compared and moreover, one of them has to be experimental (Fink, 1995).

3.1.2 Sample survey

The sample survey is one of the most used methods. It has been chosen in the dissertation for collecting the best research results. The definition of the sample survey is following: "this is strategy for gathering observations in behaviour settings where the observed behaviour is not intrinsically connected to the setting." (Runkel and McGrath, 1972; p.108) Fink (1995; p.2) reminds that: "surveys are used as a source of information in research and evaluation studies and in planning programs and setting policy in health, education, business and government." This is the opposite of the experiment. It prefers to give respondents the questions to get the responses. It concentrates on different kinds of people to generate the results afterwards. The sample survey wants to get wider outlook of the surveyed topic. That is why, it is better to focus on distinct people in term of education, employment, type of living and so on (Schmidt and Hollensen, 2006). The survey has to focus on the purpose and objectives to be successful in it.

3.1.3 Case study

This method is more demanding and time-consuming in data collecting. It has caused to leave this method out of the research. The main goal of the case studies is the description or reconstruction of the case (Silverman, 2005). It is important to identify the

situation and to find some problems and afterwards to determine the other belongs to this situation and which reconstructions are required. One has to investigate the surveyed case study and determine the solutions of the problem which occurred. Sometimes, the recommendation can be also mentioned. The case studies does not have to focus on particular problem but on wider sample to get more general conclusions. Mainly they are based on the open approaches or interviews (Flick, 2009).

3.1.4 Online researches

The latest method is the online research, which is becoming very popular in this century. It is quite significant to have a look at population in terms of age, education, gender, social class and so on because one may notice that there are still some individuals, who are not able to work with computer and internet. However, respondents, who are chosen for collecting data, have to have an access to internet because if they will not have it they cannot fill it out. The most famous are the questionnaires, experiments and surveys through the internet (Flick, 2009). It was not included in the research because of the unsuitability for all respondents. However, it could be so easy to analyse data after research in comparison with questionnaire. It was collected in a written form from individual respondents. It took plenty of time to analyse gained data.

3.2 Research

After describing the individual strategies one can move to the research and research methods, which were used. "Research is a continuous process made up of highly interdependent activities." (Runkel and McGrath, 1972; p.2) The research is not done in isolation but it is taking from outside, from real life (Runkel and McGrath, 1972). At the beginning one should find the proper method for finding data. Moreover, it is important to decide what way the research will be directed. A few facts has to be taken into consideration: "to describe the nature of the problem, the precise population involved, the principal factors affecting market behaviour, the methodologies to be adopted, and estimates of time and costs." (Chisnall, 2001; p.41)

3.2.1 Research method

There are plenty of methods how to collect data but the main and important ones are these four following: observation, questionnaire, interviewing and documents. The questionnaire was chosen for this research because it is very widely used and the most

popular method how to collect data. It is very easy to design (Gray, 2004). Moreover, one more advantage is that “each individual question will work” (Berdie et al., 1986; p.1). Respondents are willing to give right answers (Berdie et al., 1986). Moreover, it is not expensive, quick and one can get answers from many people. Questions are simple because everyone needs to understand them. The respondent’s anonymity is ensured very well (Gray, 2004). Oppenheim (1992) adds that there is an avoidance of interviewer bias and one can get information from respondents who live at widely dispersed addresses or abroad. On the other hand, there may happen that not all respondents will answer because of unwillingness or misunderstanding. It is not favourable to carry out the questionnaire too long because respondents will not be willing to fill it out. It can happen that one will not include everything what he/she wanted. In addition, when there is something wrong, one will not be able to prepare a new questionnaire because of people’s reluctance to fill out the questionnaire one more time. The willingness of the people can be ensured by the gifts, which might be offered to them or some explanation about the importance and purpose of the research.

The observation was not used because it takes plenty of time to observe the field of study and this method is quite expensive (Manheim, 2008). It depends on many factors, which can interrupt the research. For example, the communication channels can be disrupted or external conditions can endanger the field of study. The nature of the research has to be known clearly before the observation is carried out (Chisnall, 2001). The main problem is to define the role for the observer. Sometimes, it is very difficult to get in the field of study, when one is not the member (Flick, 2009). Moreover, sometimes, this method cannot be used because the fields of study are too large to allow observation (Manheim, 2008).

The interview is proper method how to collect data but this method is very difficult to analyse because respondents can answer differently. The good results from the interview depends on the efficient relationship between interviewer and interviewee (Chisnall, 2001). The interviewer has to be competent to do an interview. It is based on his experience and training provided before the interview (Flick, 2009). The interviewer has to be selected properly, trained and motivated to do so (Chisnall, 2005). Moreover, the interviewer has to keep the attractive atmosphere during the interview (Schmidt and Hollensen, 2006). This kind of method will take much more time than questionnaire (Flick, 2009). Sometimes, the length of the interview is too long and it can evoke the reluctance to answer. Moreover, it is quite expensive in comparison with other methods in term of travelling to the respondents and so on (Schmidt and Hollensen, 2006).

The documents were not included in the research because one has to take into account, who will do the document, what is the purpose of the document, and which kind of people are the most appropriate. The problem is that this method will provide the limited approach and there it is difficult to link together these three things: “explicit content, implicit meaning and the context of functions and use of the documents and how to take these relations into account in the interpretation of the documents.” (Flick, 2009; p.261)

3.3 Sampling

When the final method is chosen, the thinking about sampling is quite significant. One has to put these three things together: “selecting the sample, collecting the information and making an inference about the population.” (Raj, 1972; p.4). They cannot be separated. The word sample means: “subset of the population that is used to gain information about the entire population.” (Gary, 1990; p.11) “The sampling embodies definite rules for selecting the sample.” (Raj, 1972; p.4) This method is used mainly for determining the opinions and attitudes of the population, which is studying (Raj, 1972). The best result is to collect as much as one can, and moreover, when one can mark each of respondent (Barnett, 2002). The more people will be found the better results will there be and one receives the wider insight into field of study (Royal Air Force, 1991). The research results was collected from 131 respondents within the Czech Republic in different kinds of position in the society. However, there may occur some unfilled questionnaires, which cannot be collected. The range varies between 1-5% (Barnett, 2002).

It is important to think about the proper people, who will receive the questionnaire because of the complexity of the questionnaire (Royal Air Force, 1991). The research was focused predominantly on the adults. The young people are not interested in the insurance until their finish of the university, finding the job or establishment the family. The sampling was focused on different kinds of people to determine different people’s behaviour in particular social layers. It is very significant because when one wishes to focus on similarities and differences it is necessary to include various parts of population. The relatives, who were provided the research in the Czech Republic, have focused on three groups: people working in bank, people working in basic school and workers in one factory. The minority of people were collected from the friends of relatives such as pensioners, unemployed or entrepreneurs.

At the beginning of the survey, it is necessary to have a look at objectives or goals of the survey (Barnett, 2002). The reasons for survey are the objectives, which intend to be achieved (Fink, 1995). There are plenty of sampling methods. They were described below.

3.3.1 Sampling methods

It may be divided into two types – probability and no probability sampling. The main difference between them is about the people, who may be included. In probability sampling one is allowed to collect data from each person but in term of no probability sampling there are some people, who are not able to be chosen (Fink, 1995).

In the probability sampling "each member of population will have 1 chance in 100 of being selected in the sampling process." (Chisnall, 2001; p.99) There is the same probability for each person to be chosen. That is equal probability sampling. The unequal probability sampling means that some individuals are more likely to be chosen than others. This method is connected with the random selection mechanism. It is defined such as: "very careful, specific procedure that insures the selection of each unit in the sample is independent of the selection of any other unit." (Henry, 1990; p.26) This method is very favourite one and used very often. There are some types of the probability sampling, which are the most common: simple random sampling, systematic or quasi-random sampling, stratified random sampling and cluster sampling (Fink, 1995).

On the other hand, the no probability sampling is a type of stratified sample, which can be revealed when "the selection of the sample is dependent on human judgement." (Chisnall, 2001; p.111) The judgements mark the selected population. It is used very often in many kinds of researches, because sometimes this is the only one method, which can be used. For example, when one wishes to focus on the certain population such as illegal users of drugs. It is not useful, when one wants to include the whole population because of the uncertainty (Henry, 1990). The types of the no probability sampling are following: convenience sampling, snowball sampling, quota sampling and focus groups (Fink, 1995).

When one makes a decision between the probability and no probability sampling, it is very necessary to look at validity and credibility. This is better in probability sampling. On the other hand, the probability sampling is more costly and time consuming. To sum up,

the probability sampling is used more often because the no probability sampling is proper only in certain cases (Henry, 1990).

3.4 Design of questionnaire

After sampling one could begin to think about the design of questionnaire. It was the most significant element before the beginning of presuming, which direction is the best to go in the second part of this study (Royal Air Force, 1991). The questionnaire had to be clear and simple for respondents to ensure the willingness of the answering the questions. It was not to be allowed to be long, two pages maximum. The number of questions had to be reduced to the minimum.

The questionnaire, which was used, included 19 questions in total. The order of the questions was very important to insure the clarity for everybody. One question should lead to the next to avoid the misunderstanding (Raj, 1972). The aim of the questionnaire had to be known before starting the questions preparation.

At the beginning of the questionnaire there was the introduction in term of why one acquired to determine these answers, what was the purpose of the questionnaire and how to fill the questions up (Royal Air Force, 1991). After that, there were emerged few personal questions like age, marital status, education, sex, employment and so on. It may not be excluded from the questionnaire (Brace, 2004). And after that, one could find the questions about the insurance industry and particular kind of additional insurance. The types of questions were mainly fixed-response questions and closed questions (Raj, 1972). The closed questions are defined: "the questions are preselected for the respondents." (Fink, 1995; p.31) In some questions respondent had a possibility to answer something else, not only to choose from responses, which were stated (Raj, 1972). Not many people provided own opinion in term of different answer. They agreed with given answers and preferred to mark one of them. These kinds of questions were more difficult to prepare because one had to know the responses in advance. On the other hand, people are more willing to answer these questions instead of open questions because open questions take more time and one has to think about that more properly. These kinds of questions are easy to analyze afterwards and they are more efficient (Brace, 2004). The disadvantage of this is that one has to be sure about the including each of possibility to answer. It is not possible to forget anything.

3.5 Distribution of questionnaire

It was necessary to know how to distribute the chosen research method in advance. The questionnaire was distributed directly to the people. After filling out, the questionnaire was collected and might started to be processed to get the results. The connections between particular questions were very interesting and provided new facts, which were not known before. Moreover, some questionnaire were sent to people via e-mail because of the distance between them. It was easier and faster. The personal details of particular respondents have affected the behaviour of people the most. It involved age, education, employment, people in joint household, number of children, marital status and so on.

3.6 Pilot study

The pilot study had to be implemented before the main survey began. If one does not have any experience with this field of study it is better to do this to ensure that the questionnaire was well prepared for other respondents (Raj, 1972). It had to be tested before the demonstration to everyone (Royal Air Force, 1991). One is not allowed to carry out the main survey again because people will not be willing to fill it out. It can save time. The pilot study consisted of 5 respondents. These respondents might not be used in main survey after. One can change the number of questions, order of questions, rewrite some facts and so on. It can be changed many times before collecting data to avoid misunderstanding (Chisnall, 2001).

After receiving 5 questionnaires it was drawn attention to that the questionnaire was not complete and it was without some important and interesting questions. It contained only basic questions, which could determine the connections between particular questions. As an example can be stated the question about the dangerous areas where people buy insurance more often than others or the question about the European Union (EU) and the changes of buying insurance after entering the EU. These kinds of questions were added after the pilot study was carried out. The range of answers did not include all possibilities about which respondents could think. As an example can be mentioned the range of answers in questions such as why do people want to be insured or which way they buy insurance. Some instructions how to fill out the particular questions were misleading. It was necessary to correct it to allow people wider ability to answer. The general impression of the questionnaire needed to be changed as well to attract people in answering. Moreover, the introduction was modified to include each of important facts which had to be involved in it to gain answers from everyone.

3.7 Limitations of research

Despite of detailed preparation of the questionnaire the limitations can happen. One big problem could occur in term of voluntariness. Majority of people is not willing to answer and they do not care about that. On the other hand, the questionnaire contained only simple closed questions and one did not have to think about the answers too much because of the enclosed range of answers. However, nobody could ensure the quality of answers because it was not the face-to-face contact. In the interview man can ask some supplementary questions, which are not able to be done in questionnaires. That is the point to think about the structure of the questionnaire in advance and include each possibility of answers. Moreover, some of people did not have to understand questions and they could skip them.

The research revealed that some questions were not completed even though the pilot study was performed. This questionnaire about people living in joint household did not include one option: the friend. The question asking about occupations did not have one option: student in employment status. The final suggestion was about the question connected with changes after entering the European Union. This question was useless and did not bring any new findings.

3.8 Data analysis

When one collected data the analysing of the results could start. It was one of the most interesting and important part of research. Data analyses are divided into three kinds: univariate analysis, bivariate analysis and multivariate analysis (Babbie and Halley, 2003). The univariate analysis is the way how to analyse and present the gained information (Bryman and Cramer, 2005). It includes the graphs, tables, pie charts, bar charts, histograms, and box plots for examination of collected data. The most appropriate way how to examine results is using of graphs because it is very well-arranged (Sweet and Grace-Martin, 2008). However, that is not sufficient data analysis and it is connected with the second analysis, the bivariate analysis (Bryman and Cramer, 2005). It consists of cross tabulations and correlations. The first one, the tabulations measure the relationship between ethnicity and religion and the second one, the correlations link together age and income (Sweet and Grace-Martin, 2008). When one wishes to include more than two variables he/she can use the last method, the multivariate analysis, which is mainly about one approach, linear progression (Bryman and Cramer, 2005). It is the final step when one analyses data. The first step, the univariate analysis, shows the understanding of the

structures and distributions of variables to think, which techniques will be used. The second step, the bivariate analysis, mentions the relationships between some variables. The last step concludes these two steps together. The biggest advantage of the multivariate analysis is the control of variables (Babbie and Halley, 2003).

This study has involved almost everything from graphs, tables to correlations and crosstabs between different questions to show connections and differences. The surprising data collected within the Czech Republic enriched dissertation in plenty of ways. It will be discussed in the next section.

4 Research Results and Analysis

This chapter focuses mainly on the results of research, which were obtained from people in the Czech Republic. It analysed particular questions from the beginning until the end subsequently. The first seven questions were concentrated in the description of personal data different for each respondents. The rest of questions determined insurance market and behaviour of people on this market in the Czech Republic. The questionnaire was delivered directly to people and collected afterwards when they finished it. Some of questionnaire were delivered via e-mail because of the distance between respondents and family relatives, who provided the research. These family relatives collected data from 131 respondents. It could provide very interesting results. The most important part showed connections between different questions and influences, which were very surprising and worth mentioning. All questions were analysed in detail and represented in the graphs and tables for better illustration. Conclusion has brought together particular results and differences and similarities between theoretical part of this study and real life.

The main objectives of the research are following:

- what kind of insurance is the most popular and important for people
- the main reason for buying insurance
- which way people prefer to buy insurance
- the influence of marital status on particular kinds of insurance
- whether there is any influence in term of education and position within the society that buys the insurance

4.1 Results of personal questions

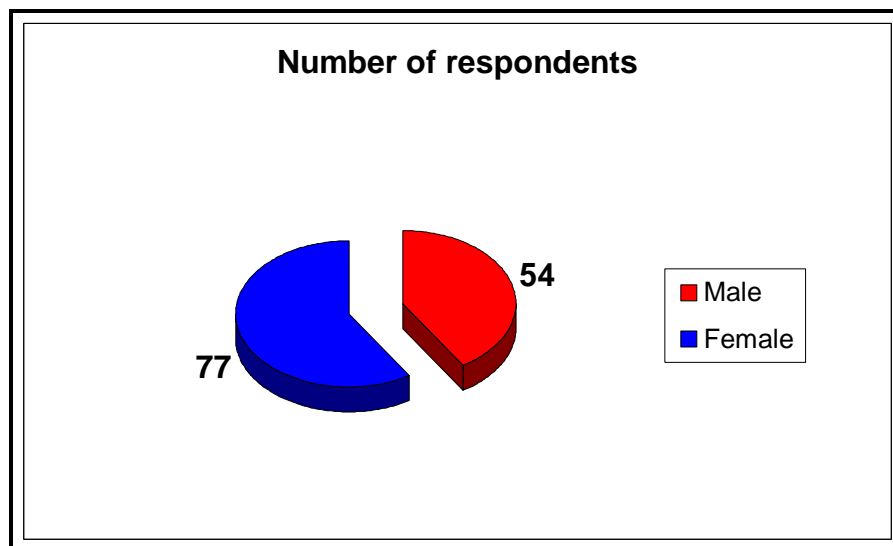
Gender

The majority of women represented in this data collection research were women working in the banking sector, where the family relatives work as well.

Table 1 Gender

Female	77
Male	54

Chart 1 Gender



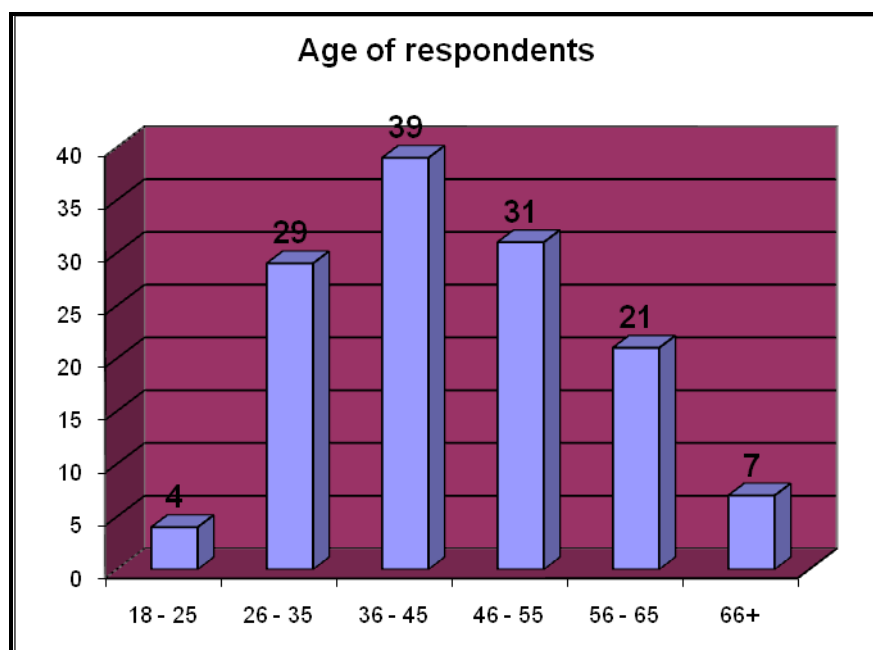
Age

These respondents were divided into six age groups. The youngest group was between the age of 18 – 25, and the oldest one was 66 and more. The table below demonstrate particular groups.

Table 2 Age

18 – 25	4
26 – 35	29
36 – 45	39
46 – 55	31
56 – 65	21
66+	7

Chart 2 Age



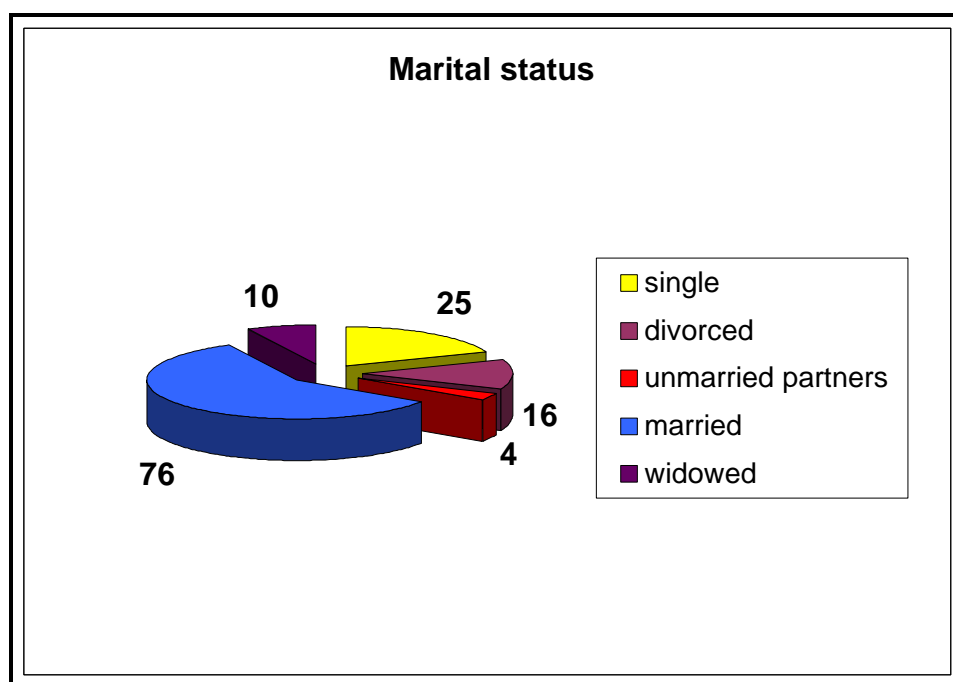
Marital status

It was divided into 5 groups. Table below demonstrates particular groups. The most common group among individuals was “*married group*”.

Table 3 Marital status

Single	25
Divorced	16
Unmarried partners	4
Married	76
Widowed	10

Chart 3 Marital status



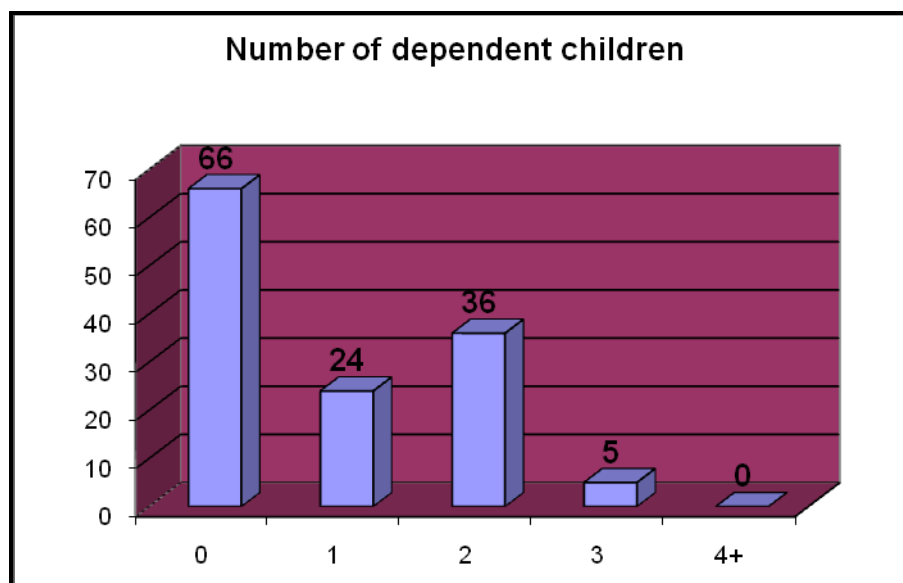
Number of dependent children

The question about “*dependent children*” was very important in the research because it has caused interesting results different from other groups. The majority of respondents were without any dependent children in the household. Respondents who have dependent children mostly purchase the Accident insurance for them. It is the best choice to prevent children against unexpected events from the very beginning of their lives.

Table 4 Dependent children

0	66
1	24
2	36
3	5
4+	0

Chart 4 Dependent children



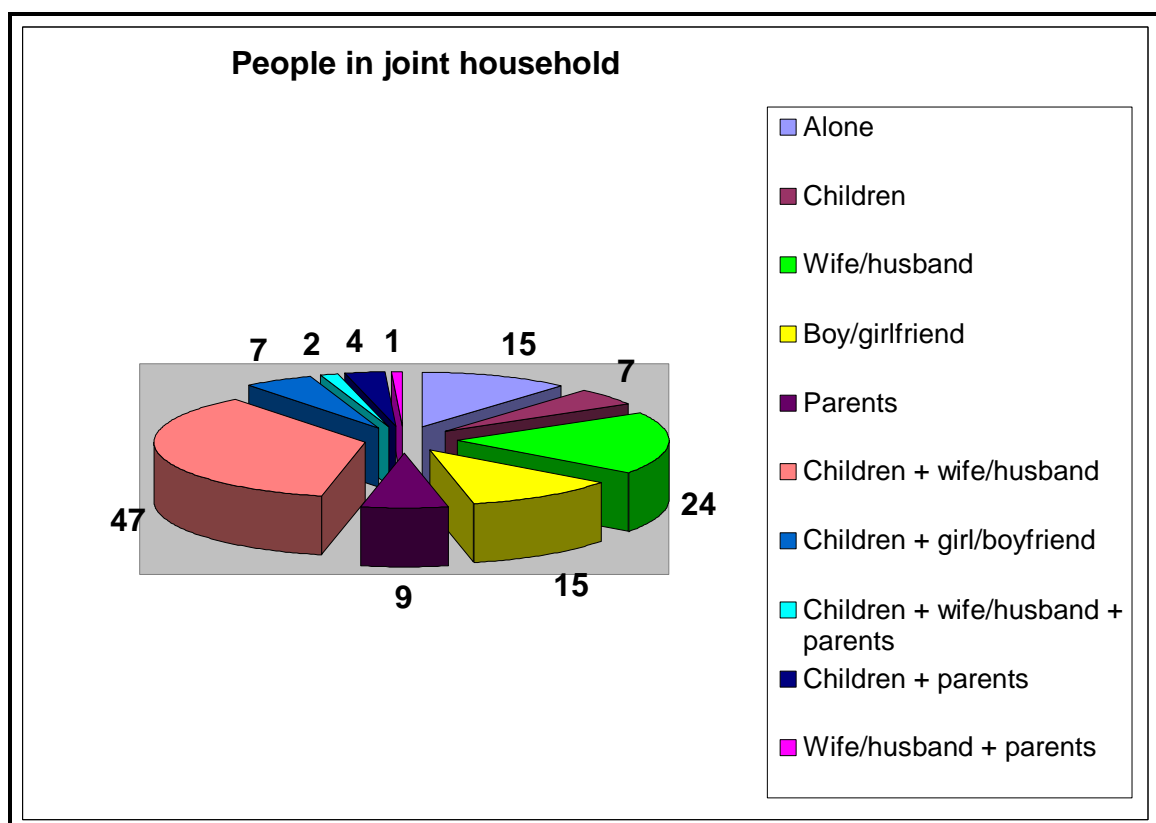
People in joint household

This question had a high impact on decision-making of respondents in term of buying insurance. For example, people who live with children insure their children. The most typical answer was *"wife/husband + children"*.

Table 5 People in joint household

Alone	15
Children	7
Wife/husband	24
Boy/girlfriend	15
Parents	9
Children + wife/husband	47
Children + girl/boyfriend	7
Children + wife/husband + parents	2
Children + parents	4
Wife/husband + parents	1

Chart 5 People in joint household



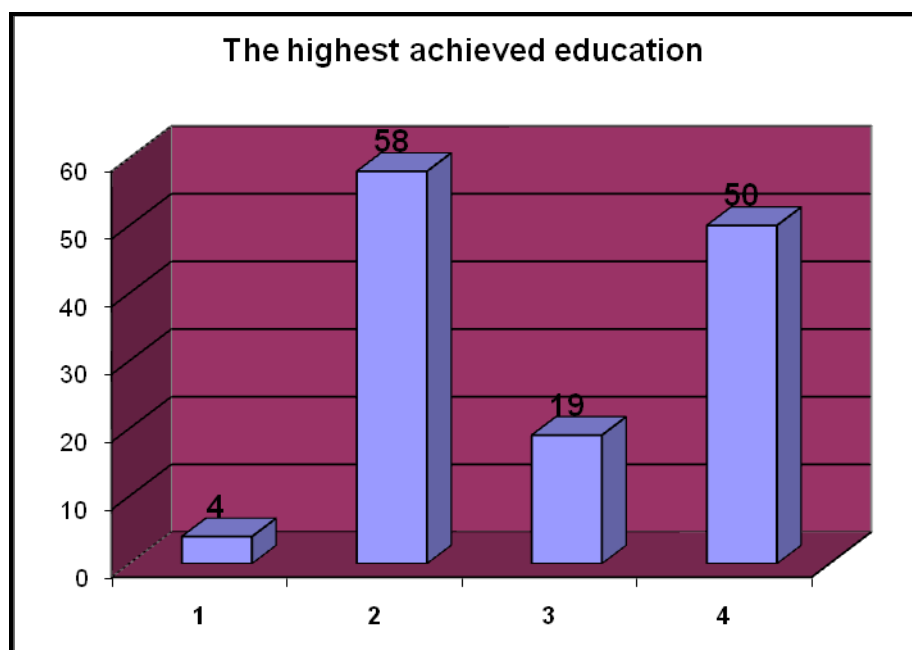
The highest achieved education

The position within society had really important significance when buying or selecting insurance policy. It is differed between people with higher and lower level of education. For example, the workers at lower positions were interested in different insurance in comparison with people with higher education. Workers with high level of education are more interested in the Travel insurance than others. Workers in manufacturing sector are concerned in the Accident insurance. The majority of people have achieved secondary education with leaving examination. The popularity of the university education rises every year.

Table 6 The highest achieved education

Basic education	4
Secondary education without leaving examination	19
Secondary education with leaving examination	58
University education	50

Chart 6 The highest achieved education



1	Basic education
2	Secondary education with leaving exam
3	Secondary education without leaving exam
4	University education

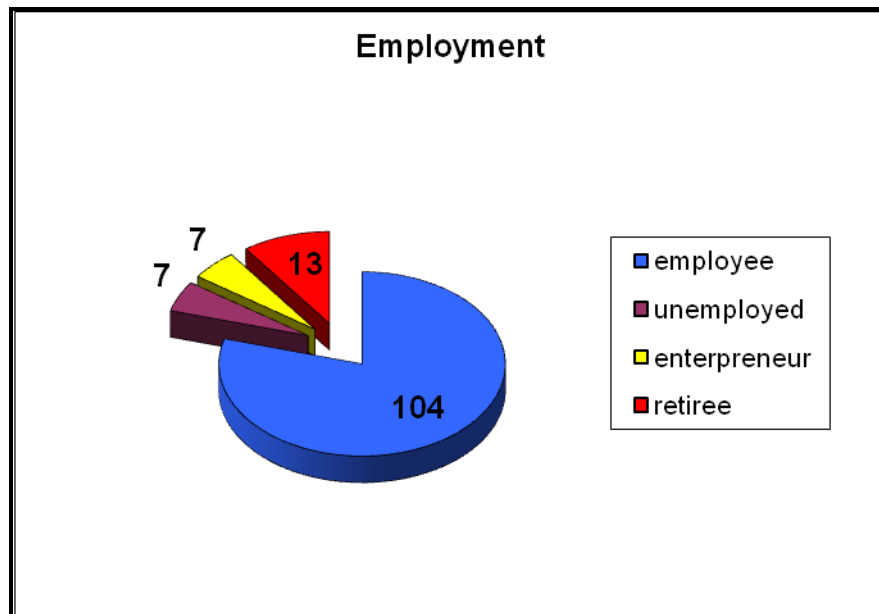
Employment

Despite the one of the biggest crisis around the world the majority of respondents are employed within the Czech Republic. It is a dominant group in the data collection process.

Table 7 Employment

Employee	104
Unemployed	7
Entrepreneur	7
Retiree	13

Chart 7 Employment



4.2 Insurance market results

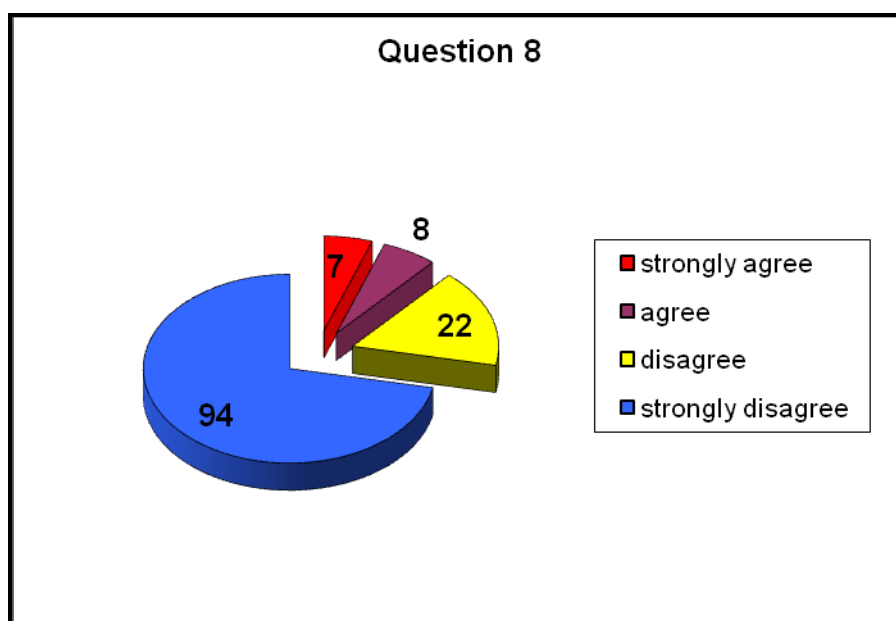
Did you start to think about insurance more often when the Czech Republic entered the European Union – 2004?

The prevailing group of people did not notice any changes after joining the European Union. See the table below.

Table 8 The changes in 2004

Strongly agree	7
Agree	8
Disagree	22
Strongly disagree	94

Chart 8 The changes in 2004



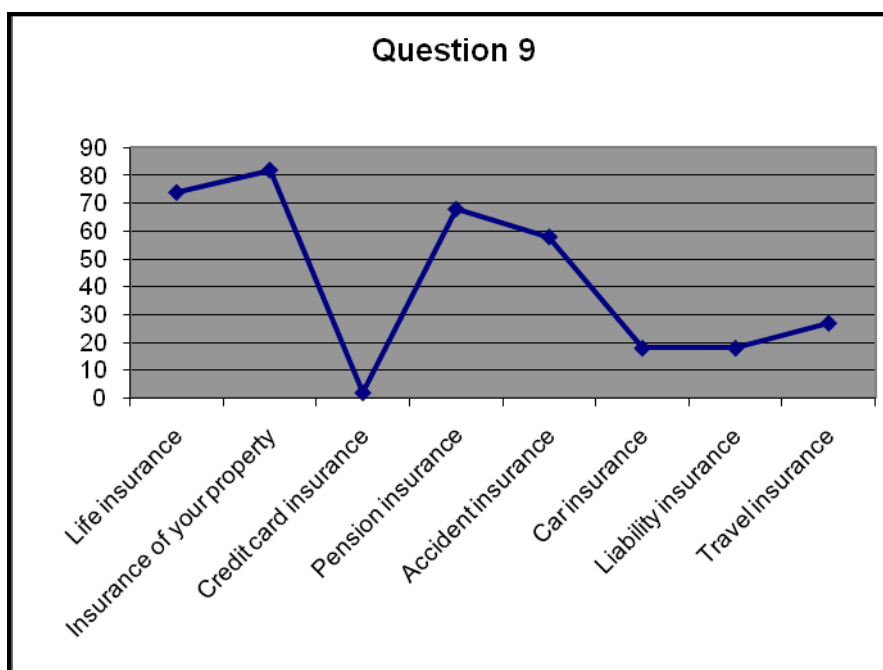
Which insurance is the most important for you?

The number one insurance policy is represented by the Insurance of your property, which is available almost for everyone in the society. This kind of insurance was important long time ago. It is one of the oldest insurance emerging on the market in the Czech Republic. The second position is represented by the Life insurance. In term of choosing maximum three possibilities there was higher amount in total. The total sum of all results is above the maximum due to the option to select several answers for one question.

Table 9 Importance of insurance

Life insurance	74
Insurance of your property	82
Credit card insurance	2
Pension insurance	68
Accident insurance	58
Car insurance	18
Liability insurance	18
Travel insurance	27

Chart 9 Importance of insurance



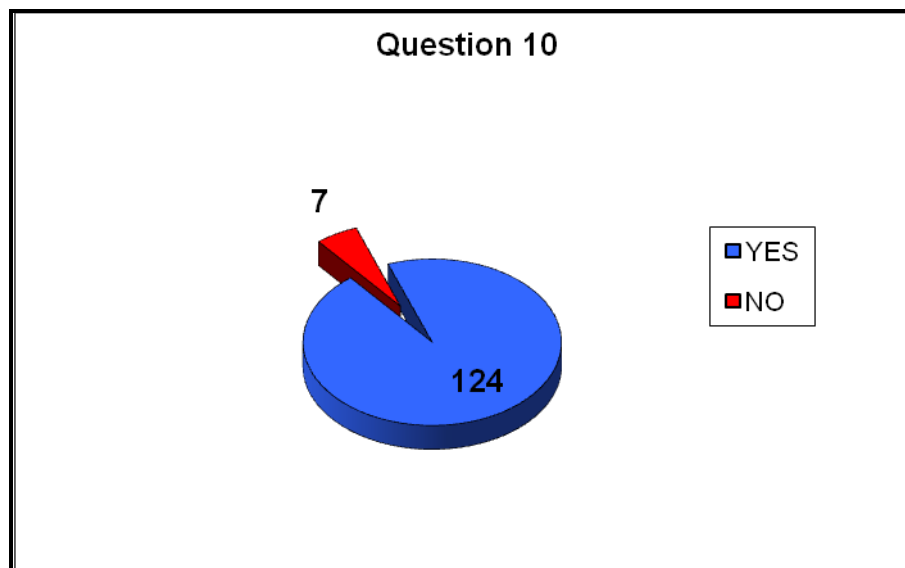
Are you insured now?

People cannot afford to stay uninsured within unpredictable environment, which is changing all the time and must prepare for unexpected events. Majority of respondents are insured. However, there are surprising findings that some of them are still uninsured and believe that nothing can happen to them. They are in a risky position and may be exposed to the situation, which they may not be able to manage. The cause of this situation may be that people are too old and they were not able to insure themselves when they were younger. Another example can be that these kinds of people are those, with low standard of living.

Table 10 Number of insured people

YES	124
NO	7

Chart 10 Number of insured people



Why do you want to be insured?

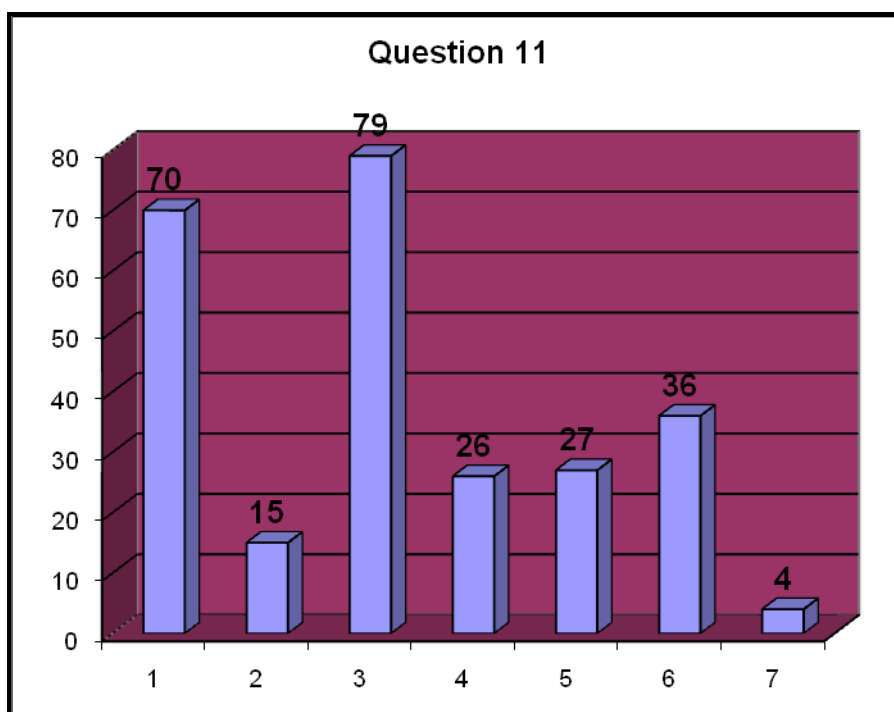
People differ in term of “*why*” it is necessary to have an insurance policy. The main reason why people buy insurance is “*the prevention of the loss of property, earnings and health*” following by “*the avoidance of risk and uncertainty*”. In terms of “*others*” there are other ways to receive an insurance policy, for example from an employer, who provides the insurance for his employees. People could choose what coverage they want. The total sum of all results is above the maximum due to the option to select several answers for one question.

Table 11 Reasons for buying insurance

Avoid risk and uncertainty	70
Investment of free available funds	15
Prevent the loss of property, earnings or health	79
Support savings	26
Prohibit big losses of finances	27

Liability in face of third person	36
Others	4

Chart 11 Reasons for buying insurance



1	Avoid risk and uncertainty
2	Investment of free available funds
3	Prevent the loss of property, earnings and health
4	Support savings
5	Prohibit big losses of finances
6	Liability in face of third person
7	Others

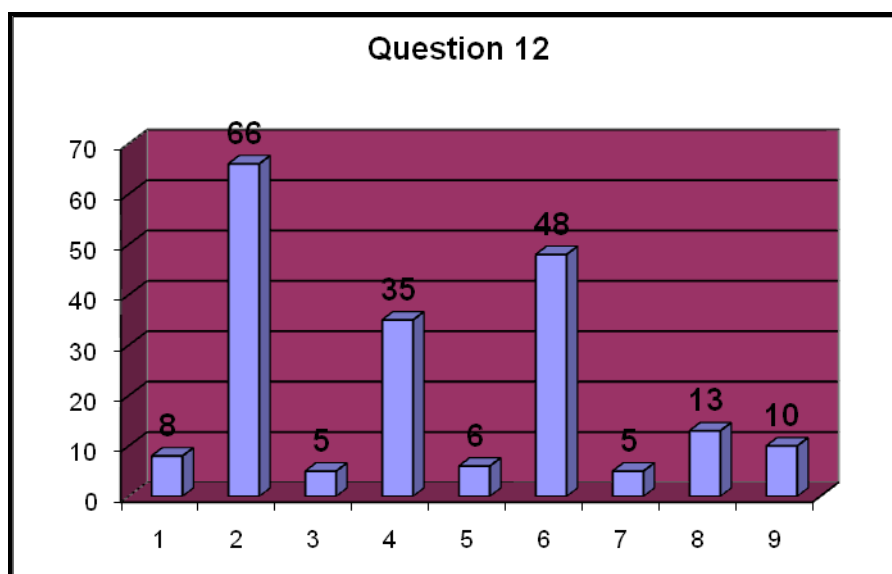
When did you start to think about insurance?

There are very different opinions in various kinds of people. Absolutely the most important period when one has started to think about insurance was after “*buying some possession*” followed by “*after children*”. The possibility “*others*” included reasons such as vital necessity, after training about insurance, after taking an employment in the financial sector and so on. The same case like the previous question. The total sum of all results is above the maximum due to the option to select several answers for one question.

Table 12 The period of buying insurance

After getting married	8
After buying some possession	66
When you divorced or widowed	5
After making own money	35
When you started to run a business	6
After children	48
After loss of your property, health and earnings	5
After visit of insurance agency	13
Others	10

Chart 12 The period of buying insurance



1	After getting married
2	After buying some possession
3	When you divorced or widowed
4	After making own money
5	When you started to run a business
6	After children
7	After loss of your property, health and earnings
8	After visit of insurance agency
9	Others

Which way did you buy the insurance?

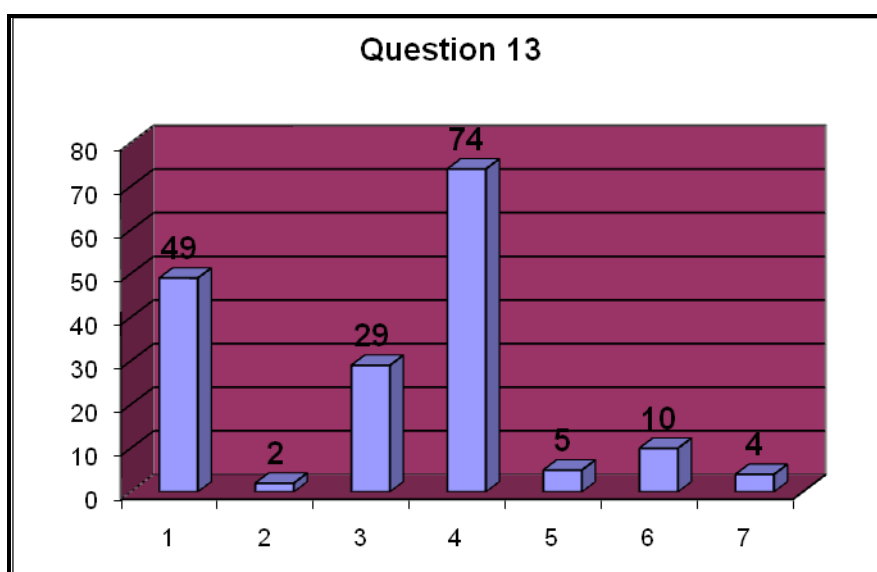
Absolutely the highest and the leading position had “*the insurance agency*”, which was the most popular between all of respondents. The second position had “*the insurance company*”. However, despite the results from the research, where companies emphasized the rising popularity in “*online*” buying of insurance, the personal research did not prove the same results. It is not very famous in the Czech Republic. Moreover, the quite popular source of insurance was through “*the financial institution*” such as banks

and so on. It can be caused by people who work in bank because the banks act as intermediaries between the insurance company and the policyholder. The Credit card insurance is especially provided by the banks. “*The telephone service*” is not requested among individuals at all. The other sources of insurance can be your employer and so on. The total sum of all results is above the maximum due to the option to select several answers for one question.

Table 13 Sources of buying insurance

Through the insurance company	49
Through the telephone service	2
Through the financial institution	29
Through the insurance agency	74
Online	5
Based on recommendation of friend	10
Others	4

Chart 13 Sources of buying insurance



1	Through the insurance company
2	Through the telephone service
3	Through the financial institution
4	Through the insurance agency
5	Online
6	Based on recommendation of friend
7	Others

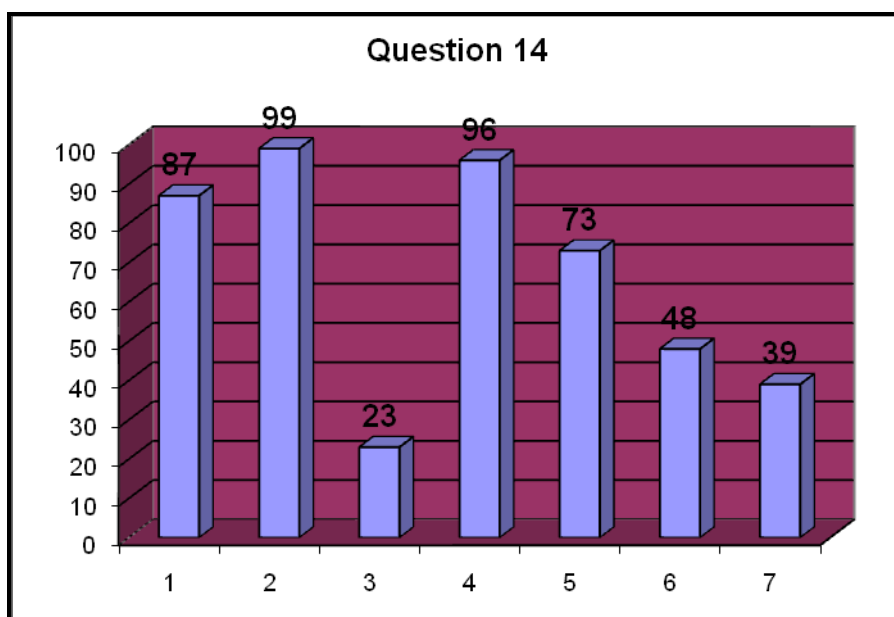
What kind of insurance do you have?

The Insurance of your property is the most requested insurance on the market in the Czech Republic. It is followed by the Life insurance, the Pension insurance and the Accident insurance. It will be discussed in more details below. The total sum of all results is above the maximum due to the option to select several answers for one question. However, only few of them, preferred to have coverage for almost everything.

Table 14 Types of insurance

Life insurance	87
Insurance of your property	99
Credit card insurance	23
Pension insurance	96
Accident insurance	73
Car insurance	48
Liability insurance	39

Chart 14 Types of insurance



1	Life insurance
2	Insurance of your property
3	Credit card insurance
4	Pension insurance
5	Accident insurance
6	Car insurance
7	Liability insurance

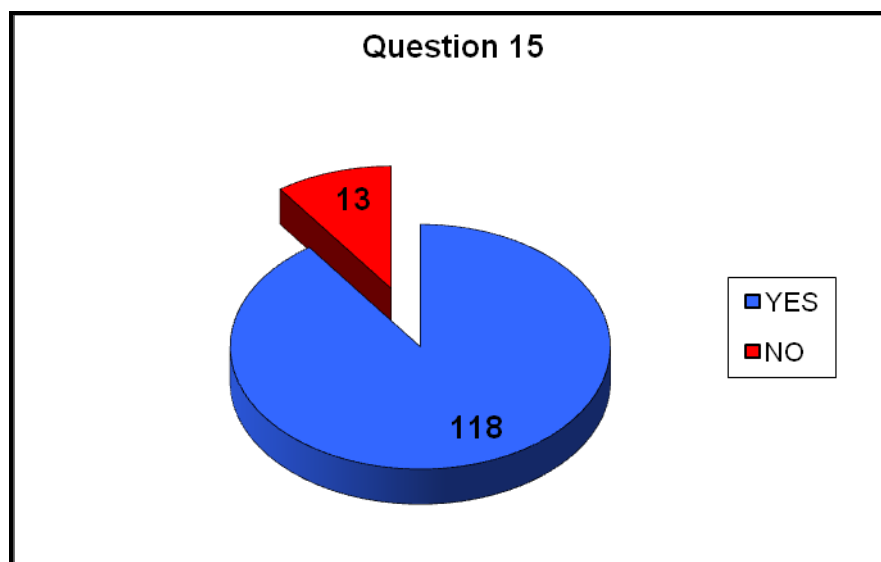
Do you buy the Travel insurance when you travel abroad?

The Travel insurance is very important for everybody because it can solve plenty of financial problems. Doctor fees are much higher abroad should one injure himself. Nowadays, everyone is familiarized with unexpected consequences of staying uninsured during travels. The research has determined that few of respondents do not buy the Travel insurance. It can be caused by the low-income or not-knowing about costly losses of your free available funds. The popularity of this insurance is increasing among people with higher level of education, who are familiar with consequences of unexpected events and they are more interested in travelling and do not want to be unprepared.

Table 15 Buying the Travel insurance

YES	118
NO	13

Chart 15 Buying the Travel insurance



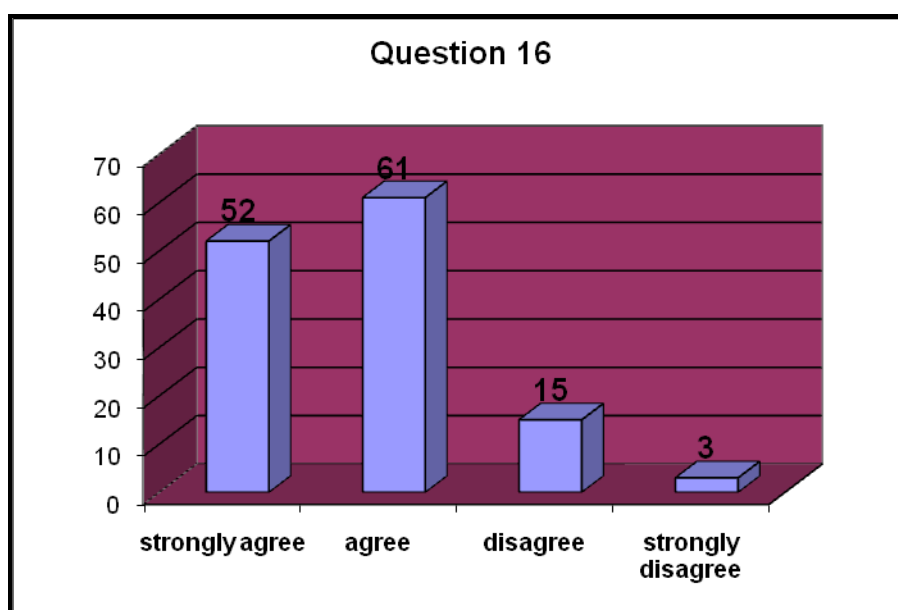
Do you think that people buy the insurance more often after their own experience with for example the natural disaster, accident, theft, car accident, loss etc.?

It should be „YES“ because people are more afraid of property, health and financial losses after they suffered it more than once. It could be not possible to manage another unexpected event in term of high financial losses. Majority of people agree with this statement.

Table 16 Buying insurance after unexpected events

Strongly agree	52
Agree	61
Disagree	15
Strongly disagree	3

Chart 16 Buying insurance after unexpected events



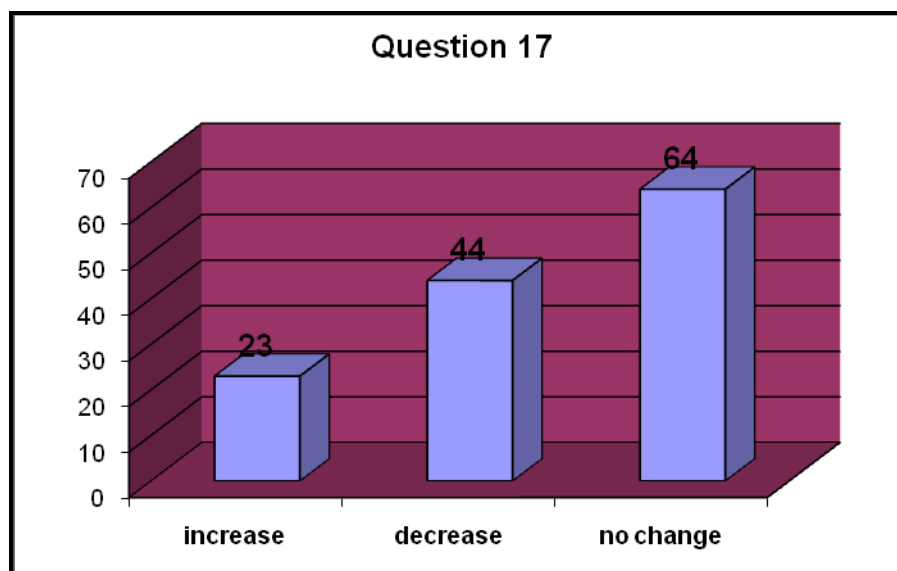
What is your opinion about the increased demand for insurance coverage after the beginning of the world's biggest crisis?

The researches argue that the demand is increasing in the situations like this. When there is problem on the market, people start to be more alert and buy insurance more. Results provided by this research have proved that people were mostly ignored of this situation. Only few of them know that it increases in these situations. Majority of them think that it stays at the same level or it even decreases.

Table 17 Demand for insurance

Increase	23
Decrease	44
No change	64

Chart 17 Demand for insurance

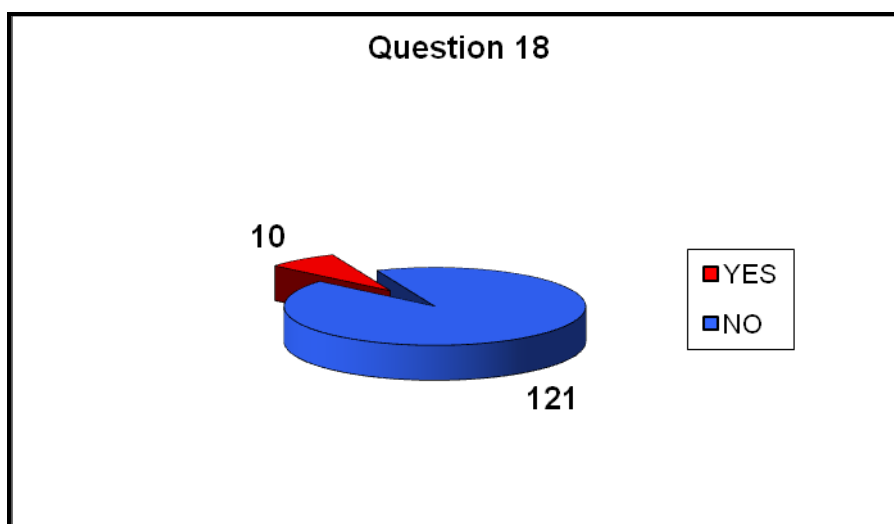


Do you live in dangerous area in term of floods, fires and various kind of accidents and so on?

Table 18 Living in dangerous area

YES	10
NO	121

Chart 18 Living in dangerous area



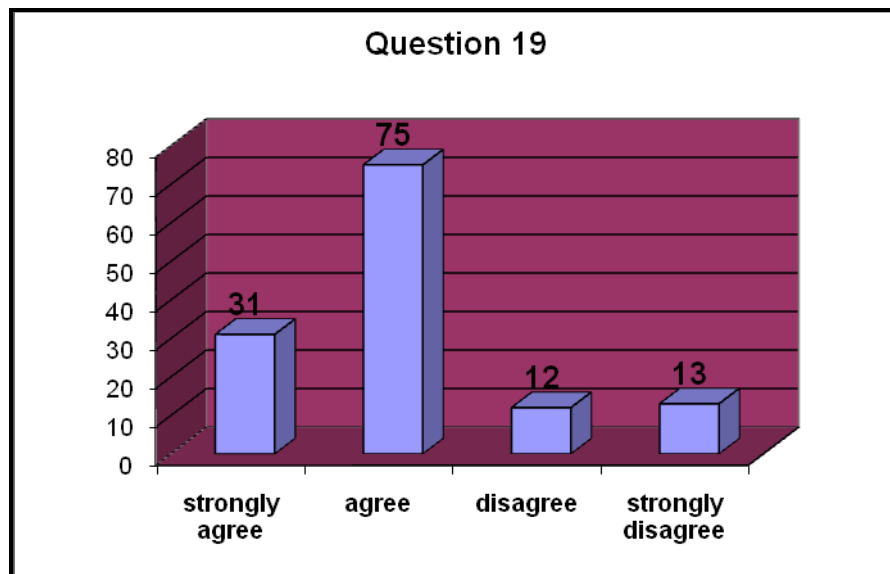
Do you think that people who live in dangerous areas insure themselves more often than others?

The research has proved that people, who do not live in dangerous areas think that the insurance is more in demand in these areas, as well as people, who live in these areas. Absolute majority of people incline towards this opinion. It will be demonstrated in the next section.

Table 19 Living in dangerous area + more insured people

Strongly agree	31
Agree	75
Disagree	12
Strongly disagree	13

Chart 19 Living in dangerous area + more insured people



4.3 Influences between particular questions

Achieved education and gender compared with the Accident insurance

Table 20 Achieved education + the Accident insurance

Achieved education * Accident insurance Cross tabulation				
Count		Accident insurance		Total
		Yes	No	
Achieved education	<i>Secondary education without leaving examination</i>	12	7	19
	<i>Secondary education with leaving examination</i>	38	20	58
	<i>Basic education</i>	2	2	4
	<i>University education</i>	21	29	50
Total		73	58	131

Each respondent answered the questions and the conclusion of these two statements is that people who achieved lower level of education such as basic education and secondary education without leaving examination prefer the Accident insurance. It can be caused by the working environment. The lower paid individuals usually work in dangerous areas with higher possibility of accident or injury and subsequent health consequences. The respondents with leaving examination are interested in accident insurance as well but the research demonstrated that it is influenced by yet another factor. One can see below.

Table 21 Gender + the Accident insurance

Gender * Accident insurance Cross tabulation				
Gender				
		Accident insurance		Total
		Yes	No	
	Male	36	18	54
	Female	37	40	77
Total		73	58	131

Moreover, despite the fact that women insure themselves more than men, this statement emphasizes quite similar results. It is caused by the environment where men mainly work as mentioned and represented in the table 20 above.

Table 22 Correlations between these statements

Correlations				
		Gender	Achieved education	Accident insurance
Gender	Pearson Correlation	1	,261**	,184*
	Sig. (2-tailed)		,003	,035
	N	131	131	131
Achieved education	Pearson Correlation	,261**	1	,209*
	Sig. (2-tailed)	,003		,017
	N	131	131	131
Accident insurance	Pearson Correlation	,184*	,209*	1
	Sig. (2-tailed)	,035	,017	
	N	131	131	131

Correlations				
		Gender	Achieved education	Accident insurance
Gender	<i>Pearson Correlation</i>	1	,261**	,184*
	<i>Sig. (2-tailed)</i>		,003	,035
	<i>N</i>	131	131	131
Achieved education	<i>Pearson Correlation</i>	,261**	1	,209*
	<i>Sig. (2-tailed)</i>	,003		,017
	<i>N</i>	131	131	131
Accident insurance	<i>Pearson Correlation</i>	,184*	,209*	1
	<i>Sig. (2-tailed)</i>	,035	,017	
	<i>N</i>	131	131	131
**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).				

Moreover, the correlations between these factors are significant. There is not as big connection between these statements as was expected but it can be caused by the insufficient sample of respondents.

Gender + the Pension insurance

Table 23 Gender + the Pension insurance

Gender * Pension insurance Cross tabulation				
Gender				
		Pension insurance		Total
		Yes	no	
	<i>Male</i>	36	18	54
	<i>Female</i>	60	17	77
Total		96	35	131

These results represented the main difference between gender and particular kinds of insurance in the Pension insurance. Women insure themselves by this kind of insurance more than men as one can see above in crosstabs. These findings are very significant.

Dependent children + the Accident insurance

Table 24 Dependent children + the Accident insurance

Dependent children * Accident insurance Cross tabulation				
Dependent children				
		Accident insurance		Total
		Yes	no	
	<i>None</i>	34	32	66
	<i>1</i>	15	9	24
	<i>2</i>	22	14	36
	<i>3</i>	2	3	5
Total		73	58	131

The reason for buying the Accident insurance may be "*the dependent children*". There are interesting findings in term of living with children. One can notice that people who live with children buy the Accident and Pension insurance for them more often than people who live alone or without children. Parents regard their children as the most important thing in their lives. They cannot imagine anything bad could happen to them. Moreover, children are very playful and they do not take care of themselves. That is why, parents try to be prepare for unexpected events, which can be caused by their children or by events, which can happen to their children or their children may cause harm to a third person. However, these two statements are not in correlations at all.

Table 25 Correlations between these two statements

Correlations			
		Dependent children	Accident insurance
Dependent children	Pearson Correlation	1	-,051
	Sig. (2-tailed)		,565
	N	131	131
Accident insurance	Pearson Correlation	-,051	1
	Sig. (2-tailed)	,565	
	N	131	131

Gender + the Car insurance

Table 26 Gender + the Car insurance

Gender * Car insurance Cross tabulation				
Gender				
		Car insurance		Total
		Yes	No	
	Male	16	38	54
	Female	32	45	77
Total		48	83	131

It is quite surprising that women buy car insurance more often than men. The cause of that can be that women are more careful when they are driving a car. Moreover, they like to feel confident and secure because women are usually not as good drivers as men.

Achieved education + importance of the Travel insurance

Table 27 Achieved education + importance of the Travel insurance

Achieved education * Importance of travel insurance Cross tabulation				
Achieved education		Importance of travel insurance		Total
		Yes	No	
	<i>Secondary education without leaving examination</i>	2	17	19
	<i>Secondary education with leaving examination</i>	6	52	58
	<i>basic education</i>	1	3	4
	<i>university education</i>	18	32	50
Total		27	104	131

There is not such prominent difference between particular groups but the group most interested in the Travel insurance is the group of people with higher education. It is more than one half of highly educated respondents, who regard this insurance as an important part of travelling. It is confirmed in the correlations below.

Table 28 Correlations between these two statements

Correlations			
		Achieved education	Importance of travel insurance
Achieved education	<i>Pearson Correlation</i>	1	-,291**
	<i>Sig. (2-tailed)</i>		,001
	<i>N</i>	131	131
Importance of travel insurance	<i>Pearson Correlation</i>	-,291**	1
	<i>Sig. (2-tailed)</i>	,001	
	<i>N</i>	131	131
**. Correlation is significant at the 0.01 level (2-tailed).			

Dependent children + beginning insurance after the birth of children

Table 29 Dependent children + after children's birth

Dependent children * After children Cross tabulation				
Dependent children		After children		Total
		Yes	no	
	None	8	58	66
	1	12	12	24
	2	23	13	36
	3	5	0	5
Total		48	83	131

One can notice that it is obvious from crosstabs above. People, who bring up the children, start to think about insurance immediately after the birth of their child. The correlation is not so significant like between achieved education and accident insurance but it is quite interesting. It is worth mentioning.

Table 30 Correlations between these two statements

Correlations			
		Dependent children	After children
Dependent children	Pearson Correlation	1	-,538**
	Sig. (2-tailed)		,000
	N	131	131
After children	Pearson Correlation	-,538**	1
	Sig. (2-tailed)	,000	

	<i>N</i>	131	131
**. Correlation is significant at the 0.01 level (2-tailed).			

Living in dangerous area + demand for insurance

Table 31 Dangerous area + demand

Living in dangerous areas * Demand Cross tabulation						
Living in dangerous areas		Demand				Total
		<i>Strongly agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly disagree</i>	
	Yes	2	6	1	1	10
	No	29	69	11	12	121
Total		31	75	12	13	131

The majority of people, who do not live in dangerous areas think that there is more demand for the insurance in comparison with others. People prefer to pay small insurance fees regularly in order to prevent their financial losses. They cannot prevent natural disasters, which usually occur at the least expected time. However, there is no significant correlation between these two factors at all. They are totally different. The level 0.05 was exceeded and came up to 0.858.

Table 32 Correlations between these two statements

Correlations			
		Living in dangerous areas	Demand
Living in dangerous areas	<i>Pearson Correlation</i>	1	-,016
	<i>Sig. (2-tailed)</i>		,858
	<i>N</i>	131	131
Demand	<i>Pearson Correlation</i>	-,016	1
	<i>Sig. (2-tailed)</i>	,858	
	<i>N</i>	131	131

People in joint household + the Life insurance

Table 33 People in JH + the Life insurance

People in joint household * Life insurance Cross tabulation				
People in joint household		Life insurance		Total
		yes	No	
	<i>Alone</i>	6	9	15
	<i>Wife/ Husband</i>	17	7	24
	<i>Children</i>	5	2	7
	<i>Girl/boyfriend</i>	11	4	15
	<i>Parents</i>	7	2	9
	<i>children + wife/husband</i>	32	15	47
	<i>children + girl/boyfriend</i>	5	2	7
	<i>children + wife/husband + parents</i>	0	2	2
	<i>children + parents</i>	3	1	4
	<i>wife/husband + parents</i>	1	0	1
Total		87	44	131

Almost everyone, who lives with one person or more in one place, buys the Life insurance. People in joint household have impact on the Life insurance. This insurance is very popular in modern society. Nowadays, it is the most requested insurance after the Insurance of your property.

Age + the Pension insurance

Table 34 Age + the Pension insurance

Age * Pension insurance Cross tabulation				
Count		Pension insurance		Total
		Yes	No	
Age	18 – 25	1	3	4
	26 – 35	21	8	29
	36 – 45	29	10	39
	46 – 55	27	4	31
	56 – 65	16	5	21
	66 +	2	5	7
Total		96	35	131

As was mentioned in the theory of this study people insure themselves with this kind of insurance around the age of 30 the most. The research results have proved the same results.

..

5 Conclusion

The major aim of this study was to determine the most favourite kind of insurance in the Czech Republic and which kind of people buy particular kinds of insurance. Moreover, the personal differences between individuals influenced these results significantly. Another important aim of the study was to determine reasons why people living in the modern society, full of changes and unexpected events buy insurance.

The only one method for collecting data, which was used, was the questionnaire. 131 respondents participated in this research. The research was done in one country only, the Czech Republic. Data were collected by relatives who visited various kinds of people working in the banking sector, the educational sector and the manufacturing sector. The results collected from this method provided results showing different behaviour of individuals in comparison with the theoretic part. It was discussed in graphs, crosstabs and correlations. SPSS programme helped to create these illustrations. However, the majority of people collected in banking sector could cause the similar preferences because of brain power, same working environment, expected higher income, and higher responsibility in making decisions. Moreover, these kind of people want to be insured because they are supported by their employer. First of all, they are supported in life and pension insurance. Future recommendation are that the sample should be more steady and should include more entrepreneurial and people working at different employers. The results provided some entrepreneurial but it was not significant. They did not prove any similar results.

The limitations of the research mentioned in methodology chapter did not appear to be significant. Respondents answered all questions properly because of the possibility to choose one or more responses. It was easier for them to choose than think about own opinion, which takes more time and people tend to skip it rather than select an answer. It was proved by the pilot study, which helped in a plenty of ways before the main study was implemented. However, the responses did not include every of possibility. There were some difficulties among respondents as was mentioned in methodology chapter. One question did not prove to be useful at all. The results from research did not prove anything new and people gave the same responses most of the time. It was the question about the changes of thinking in insurance industry after joining the European Union.

To determine the most favourite kind of insurance was the first objective of this study. Theory mentioned that the Life insurance was very popular in the year 2008. However, the Insurance of property is leading on the Czech market. This insurance has very long history and every one bought this insurance in the past. The results from the theory and real life were consistent in terms of the Insurance of your property. The popularity of this insurance is rising each year. The Life insurance is very popular on the market as well as the Insurance of your property because everyone who lives with somebody in one place purchases this insurance in order to be protected from unexpected events and uncertainty. The theory and real life showed the same results in this field of study. Moreover, the Pension insurance is worth mentioning as well because it is one of the insurance which is divided into three parts – the first part paid by your employer, the second one is paid by the state and the last part is paid by yourself. That is why people buy this kind of insurance more. Results from theoretical part compared with real live experience did not differ. People start to buy this kind of insurance around the age of 30. It is important to think about that, because the sooner one will save money for the pension the more money he/she will get in the old age. Moreover, the higher position in the society of individual, the more money he/she will need when he/she gets older. It did not prove to be the truth from the results. It can be caused by the fact that it was not studied deeply.

Differences between men and women are significant when it comes to buying insurance. The theoretic part emphasized that men buy insurance more than women but it did not prove the same results in the real life. Women buy insurance at a higher level like the Car insurance, the Pension insurance and so on. These two were the most significant. It probably began back in the past when women were considered as wives and mothers only. Their position was to stay most of their time at home with children and take care of household. It may be the result of their behaviour nowadays. They are more alert and want to avoid uncertainty and risks. When women and men decide to establish a family the main insurance for their children is the Accident insurance. Theoretical part mentions one more type of insurance and that is the Child insurance, which is not widely available on the market and it is not so popular. It is too expensive in comparison with the Accident insurance. This is the best insurance to buy for your children after they are born. Moreover, people who have children, mostly start to think about the insurance after the birth of their children. On the other hand, people who widowed or divorced start to think about insurance after this accident happened mainly in terms of the Life insurance.

The differences between people, who are higher and lower educated, proved to be significant. The research determined surprising findings in terms of what kind of people is interested in particular kinds of insurance. The travel insurance is very popular on the current market. This is the only one insurance, which is influenced by the length, maximum for one year. This is the most favourite insurance for people with higher level of education. Theory determined that this is mainly for people who travel often during their work. More than half of people with higher level of education marked this answer as to be very important to them. There are no doubts that it will rise during the holidays when people want to go abroad. People at lower position prefer the Accident insurance because of the dangerous environment. The results from the theory and real life are consistent. It is mainly for people who work as rescuers, mountaineers, professional boxers and so on. This was only one kind of insurance where the number of men and women was the same. Other kinds of insurance were outweighed by women. The sample of women was bigger but on the other hand, women almost always has more types of insurance coverage than men.

Another aim was to determine reasons for buying insurance. It was not only about the avoidance of the risk. There were plenty of different opinions in this field of study. The theory and real life did not differ too much but the real live experience involved more possibilities to answer. It was mainly about the prevention and the avoidance of future uncertainties and risks.

The ways of buying insurance determined very different results. The theory emphasized the most popular way to buy insurance directly from the insurance company and also the popular way in our current society to buy insurance online. Research results determined that the most favourite is to buy insurance from the insurance agency followed by the insurance company. But the majority of people inclined to the insurance agency. The online buying is not popular at all. Maybe it was caused by the small sample of respondents but this answer occurred at very low level. The telephone service is very old and nobody uses this way to buy insurance as already mentioned in theory of the study.

The results from additional questions are worth mentioning as well. The unfamiliarity of respondents with the rising number of insured people after an accident occurred on the market or due to the current crisis was surprising. Individuals did not have the same opinion about the increasing demand for insurance during these kinds of difficulties on the market. Only few of them agreed with the opinion mentioned in the theory. It was very surprising because researches within the Czech Republic showed higher demand.

Despite of the present situation of the economy most of the respondents were employed and insured by the more than one kind of insurance. There were some individuals without any insurance but not in high numbers. Another question about the living in dangerous areas in term of floods and various kinds of accidents people agree with rising demand for insurance and being more prepared for unexpected and unavoidable events, which cannot be prevented at all. It is the nature responsible for that and nobody can change it. The theory and real life agreed with each other.

The study of the insurance market was very interesting. The research has proved to be very important in finding differences and similarities between the theory and real life. The research results has emerged to be very surprising and improved the study very much. The study was very wide and it was quite difficult to put everything together. The unfamiliarity with this topic at the beginning has caused some problems during the research and when putting the structure together. However, the long study work done during the whole year has emerged to be very useful at the end. The learning process of how to write dissertation during the whole study will be useful in the future.

References

Books:

Babbie, E., Halley, F. (2003) *Adventures in Social Research: Data Analysis Using SPSS for Windows*, Thousand Oaks, Calif; London: Pine Forge

Barnett, V. (2002) *Sample Survey: Principles and Methods*, 3rd ed. London: Arnold

Berdie, D., Anderson, J., Niebuhr, M. (1986) *Questionnaires: Design and Use*, 2nd ed., Metuchen, London : Scarecrow

Brace, I. (2004) *Questionnaire Design: How to plan, structure and write survey material for effective market research*, Ebrary Reader [online]. Available at: < <http://site.ebrary.com/lib/uoh/docDetail.action?docID=10084461>> [Accessed 18th April 2010]

Bryman, A., Cramer, D. (2005) *Quantitative Data Analysis with SPSS 12 and 13: A Guide For Social Scientists*, London: Routledge

Chisnall, P. (2001) *Marketing Research*, 6th ed. London: McGraw-Hill

Chorafas, N. (2005) *The Management of Equity Investments: Capital Markets, Equity Research, Investment Decisions and Risk Management with Case Studies*, Amsterdam; London: Elsevier Butterworth-Heinemann

Cox, D., Fardon, M. (1994) *Financial Services*, Worcester: Osborne

Cox, D., Fardon, M. (1992) *Finance: A Guide to Business Finance*, 4th ed. Worcester: Osborne

Cuthbertson, K., Nitzsche, D. (2008) *Investments*, 2th ed. Hoboken, N.J; Chichester: John Wiley & Sons, Ltd.

Dixon, R., Holmes, P. (1995) *Financial Markets: An Introduction*, 1th ed. London: Chapman and Hall

Ducháčková, E. (2009) *Principy pojištění a pojišťovnictví*, 3th ed. Praha: Ekopress, s. r. o.

Fink, A. (1995) *How to Ask Survey Questions*, Thousand Oaks, Calif; London: Sage Publications

Fink, A. (1995) *How to Sample in Surveys*, Thousand Oaks, Calif; London: Sage Publications

Fink, A. (1995) *How to Design Surveys*, Thousand Oaks; London: Sage

Flick, U. (2009) *An Introduction to Qualitative Research*, 4th ed. Los Angeles; London: SAGE

Gary, H. (1990) *Practical Sampling*, Newbury Park; London: Sage Publications

Gray, D. (2004) *Doing Research in the Real World*, London: SAGE

Henry, G. (1990) *Practical Sampling*, Newbury Park; London: Sage Publications

Howells, P., Bain, K. (2000) *Financial Markets and Institutions*, 3th ed. Harlow: Financial Times Prentice Hall

Kohn, M. (1994) *Financial Institutions and Markets*, New York; London: McGraw-Hill

Jankowicz, A. (2005) *Business Research Projects*, 4th ed., London: Thomson

Levinson, M. (2006) *Guide to Financial Markets*, 4th ed. London: Profile

Majtánová, A., Daňhel, J., Ducháčková, E., Kafková, E. (2006) *Teorie a praxe pojišťovnictví*, 1th ed. Praha: Ekopress

Malhotra, N. (2007) *Marketing Research: An Applied Orientation*, 3rd European ed. London Pearson Education

Manheim, J. (2008) *Empirical Political Analysis: Quantitative and Qualitative Research Methods*, 7th ed. New York ; London : Pearson Longman

Mercado, S., Welford, R., Prescott, K. (2001) *European Business*, 4th ed. Harlow: Financial Times Prentice Hall

Merna, T., Al-Thani, F. (2005) *Corporate Risk Management: An Organizational Perspective*, Chichester: John Wiley

Midgley, K., Burns, R. (1977) *The Capital Market: Its Nature and Significance*, London: Macmillan

Mook, D. (1982) *Psychological research: Strategy and tactics*, New York; London: Harper and Row

Oppenheim, A. N. (1992) *Questionnaire Design, Interviewing and Attitude Measurement*, New edition, London: Continuum

Raj, D. (1972) *The design of sample surveys*, New York: McGraw-Hill

Royal Air Force (1991) *A Guide to Job Analysis, Questionnaire Design and Interview Techniques*, Newton; Notts: School of Education and Training Support

Runkel, P., McGrath, J. (1972) *Research on Human Behavior: A Systematic Guide to Method*, New York; London: Holt, Rinehart and Winston

Saeed, J. (2007) *Contemporary Corporate Strategy: Global Perspectives*, London: Routledge

Saunders, M., Lewis, P., Thornhill, A. (2003) *Research Methods for Business Students*, 3rd ed., Harlow: Financial Times Prentice Hall

Scott, W. (1991) *Contemporary Financial Markets and Services*, St. Paul: West Publishing

Schmidt, M., Hollensen, S. (2006) *Marketing Research: An International Approach*, Harlow: Financial Times Prentice Hall

Silverman, D. (2005) *Doing qualitative research: A Practical Handbook*, 2nd ed. London: SAGE

Sweet, S., Grace-Martin, K. (2008) *Data Analysis With SPSS: A First Course in Applied Statistics*, 3rd ed., Boston, Mass; London: Pearson Allyn and Bacon

Webb, A. (2003) *The Project Manager's Guide to Handling Risk*, Aldershot: Gower

Worthington, I., Britton, Ch. (2006) *The Business Environment*, 5th ed. Harlow: Financial Times Prentice Hall

Wallis, V. (1998) *"Which?" Guide to Insurance*

Zpravodaj ÚZ (2008) *Úplné Znění Pojišťovnictví*, Ostrava: Nakladatelství Sagit, a.s.

Articles:

Allianz pojišťovna (2010) *Allianz* [online] Available at:<<http://www.allianz.cz/o-spolecnosti/o-spolecnosti/>> [Accessed 4th February 2010]

Ayadi, R. (2007) "Solvency II: A Revolution for Regulating European Insurance and Re-Insurance Companies", *Journal of Insurance Regulation*, vol. 26, issue 1, pp:11-35

Baur, D., Schulze, N. (2009) "Financial Market Stability – A test", *Journal of International Financial Markets*, vol.19, issue 3, pp:506-519

Bekiaris, M. (2006) "Online Trading", *Money*, issue 81, pp:84-92

Bekiaris, M. (2008) "It Could Happen to You", *Money*, issue 98, pp:62-64

Beltratti, A., Corvino, G. (2008) "Why Are Insurance Companies Different? The Limits of Convergence Among Financial Institutions", *Geneva Papers on Risk and Insurance - Issues and Practice*, vol.33, issue 3, pp:363-388

Boyce, S., Ippolito, R. (2002) "The Cost of Pension Insurance", *Journal of Risk and Insurance*, vol.69, issue 2, pp:121-170

Boušová, K. (2008) *Pojištění dítěte aneb jak nenaletět* [online] Available at:<
[http://finance.idnes.cz/pojisteni-ditete-aneb-jak-nenaletet-d6s-
/spor.asp?c=A080526_144456_spor_hru](http://finance.idnes.cz/pojisteni-ditete-aneb-jak-nenaletet-d6s-/spor.asp?c=A080526_144456_spor_hru)> [Accessed 27th May 2008]

Burger, K., D'Antoni, H. (2004) "The Financial Services 40", *Insurance and Technology*, vol.29, issue 10, pp:39-45

Ceniceros, R., Esola, L., Hofmann, M., Roberts, S. (2006) "Start the Music, Pour the Drinks, Buy the Insurance", *Business Insurance*, vol. 40, issue 52, p.27

Centeno, M., Guerra, M. (2010) "The Optimal Reinsurance Strategy – the Individual Claim Case", *Insurance: Mathematics and Economics*, Available online 29th January 2010

Cervone, F. (2006) "Project Risk Management", *OCLC Systems and Services*, vol.22, issue 4, pp:256-262

Cummins, D., Venard, B. (2008) "Insurance Market Dynamics: Between Global Developments and Local Contingencies" *Risk Management and Insurance Review*, vol. 11, issue 2: pp.295-326

Cummins, D., Weiss, A. (2009) "Convergence of Insurance and Financial Markets: Hybrid and Securitized Risk-Transfer Solutions", *Journal of Risk and Insurance*, vol.76, issue 3, pp:493-545

Česká pojišťovna, a.s. (2008) *Chráníme Vaše sny* [online] Available at:<
<http://www.ceskapojistovna.cz/>> [Accessed 4th February 2010]

ČNB (2010) *Česká Národní Banka* [online] Available at: <
<http://www.cnb.cz/cs/index.html>> [Accessed 16th April 2010]

Dawson, L. (1948) "A Few Simple Rules of Contract Law and Their Application to Life Insurance Contracts", *Journal of the American Society of Chartered Life Underwriters*, vol. 2, issue 4, pp:325-337

Dobbins, R., Witt, S. (1979) "Some Implications of Efficient Market Hypothesis", *Managerial Finance*, vol.5 issue 1, pp:65-79

Economist (2009) "Efficiency and Beyond" *Economist*, vol.392, issue 8640: pp.68-69

Erman, S. (2005) "Word Games: Raising and Resolving the Shortcomings in *Accident-Insurance* Doctrine That Autoerotic-Asphyxiation Cases Reveal", *Michigan Law Review*, vol.103, issue 8, pp:2172-2208

Finanční vzdělávání (2007) *Společný vzdělávací projekt finančních asociací, ČNB a MFČR* [online] Available at:<<http://www.financnivzdelavani.cz/webmagazine/page.asp?idk=422>> [Accessed 3th February 2007]

Focarelli, D., Pozzolo, A. (2008) "Cross-border M&As in the Financial Sector. Is Banking Different from Insurance?", *Journal of Banking and Finance*, vol.32, issue 1, pp:15-29

GAO Reports (2006) "Definitions of Insurance and Related Information: GAO-06-424R", *GAO Reports*, p.1

Gaselee, J. (1984) "Insurance – a Vital Defence, Neglected at Your Peril", *Accountancy*, vol.95, issue 1094, pp:64-66

Generali Pojišťovna, a.s. (2009) *Rádi Vám pomůžeme* [online] Available at: <<http://www.generali.cz/>> [Accessed 4th February 2010]

Gili, Y., Cheng-few, L. (2008) "Efficient Market Hypothesis: Past, Present and Future" *Review of Pacific Basin Financial Markets & Policies*, vol.11, issue 2: pp.305-329

Ginterová, M. (2010) *Připojistit je třeba jízdy na snowboardu a túry do hor* [online] Available at:<<http://www.novinky.cz/ekonomika/finance/190163-pripojistit-je-treba-jizdy-na-snowboardu-a-tury-do-hor.html>> [Accessed 27th January 2010]

Gonedes, N. (1976) "The Capital Market, The Market for Information, and External Accounting", *Journal of Finance*, voll.31, issue 2, pp:611-630

Gugler, P. (2005) "The Integrated Supervision of Financial Markets: The Case of Switzerland", *Geneva Papers on Risk & Insurance - Issues & Practice*, vol.30, issue 1, pp:128-143

Hood, J. (1999) "To Expand Children's Insurance Coverage", *Consumers' Research Magazine*, vol.82, issue 2, p.15

Interier (2009) *Pojištění majetku stále podceňujeme* [online] Available at: <<http://www.trendybydleni.cz/interier/pojisteni-majetku-stale-podcenujeme.html>> [Accessed 14th March 2009]

Jawadi, F., Bruneau, C., Sghaier, N. (2009) "Nonlinear Co integration Relationships Between Non-Life Insurance Premiums and Financial Markets", *Journal of Risk and Insurance*, vol.76, issue 3, pp:753-783

Kooperativa pojišťovna, a.s., Vienna Insurance Group (2009) *Kooperativa: Pro život jaký je* [online] Available at: <<http://www.koop.cz/cs/>> [Accessed 25th October 2009]

Král, J. (2006) *Pojištění domácnosti: Kdy a proč ho měnit?* [online] Available at:< <http://www.mesec.cz/clanky/pojisteni-domacnosti-kdy-a-proc-ho-menit/>> [Accessed 24th February 2006]

Kobilková, O. (2006) *Pojištění domácnosti: Kdy a proč ho měnit?* [online] Available at:< <http://www.mesec.cz/clanky/pojisteni-domacnosti-kdy-a-proc-ho-menit/>> [Accessed 24th February 2006]

Laulajainen, I. (2000) "Global Economic Integration: Finance Capital: The Regulation of International Finance", *Oxford Handbook of Economic Geography*, pp:215-229

Life Insurance Industry Profile (2009) "Life Insurance Industry Profile: Czech Republic", pp:1-29

Macháčková, H. (2009) *V těžkých časech se lidé více pojišťují* [online] Available at: <<http://hn.ihned.cz/c1-36888850-hana-machacova-v-tezkych-casech-se-lide-vice-pojistuji>> [Accessed 28th April 2009]

Marcial, G. (1984) "Life Insurance Packages That Pep Up a Stock", *Business Week*, issue 2852, p.118

Margota, D. (1995) "The Business Judgement Rule vs. The Efficient Market Hypothesis", *Managerial Finance*, vol.21, issue 5, pp: 5-17

McCarthy, C. (2009) "Financial Crisis Expected to Fuel Reinsurers' M&A Activity", *Business Insurance*, vol.43, issue 33, p.19

Meeting News (2004) "Risk Management and Insurance", *Meeting Planner*, pp:82-86

Motor Insurance Industry Profile (2004) "Motor Insurance in Europe", *Motor Insurance Industry Profile: Europe*, pp:1-17

Mutenga, S., Staikouras, S. (2007) "The Theory of Catastrophe Risk Financing: A Look at the Instruments that Might Transform the Insurance Industry", *Geneva Papers on Risk and Insurance - Issues and Practice*, vol.32, issue 2: pp.222-245

Myron, S. (1998) "Derivatives in a Dynamic Environment", *American Economic Review*, vol.88, issue 3: pp.350-370

Naše Peníze (2009) *Češi pojišťují svůj život maximálně na 100 000 korun* [online] Available at: <<http://www.nasepenize.cz/cesi-pojisuji-svuj-zivot-maximalne-na-100-000-korun-5365>> [Accessed 28th July 2009]

Parlament České republiky (1999) *Zákon o pojišťovnictví a o změně některých souvisejících zákonů* [online] Available at:<<http://www.finance.cz/zakony/>> [Accessed 21th December 2009]

Partyka, P. (2004) "Balancing Your Needs", *American Coin-Op*, vol.45, issue 11, pp:6-14

Pirnerová, H. (2007) *Při pojišťování myslíme na zabezpečení rodiny a svých blízkých* [online] Available at:< http://finance.idnes.cz/pri-pojistovani-myslime-na-zabezpeceni-rodiny-a-svych-blizkych-pwc-/poj.asp?c=A071210_120157_fi_osobni_amr> [Accessed 11th December 2007]

Plischke, S. (2006) *Proč uzavřít úrazové pojištění a jak si vybrat* [online] Available at:< <http://www.penize.cz/18281-proc-uzavrit-urazove-pojisteni-a-jak-si-vybrat>> [Accessed 14th August 2006]

Pospíšilík, K. (2008) *Penzijní připojištění jako Vánoční dárek?* [online] Available at:< <http://www.finance.cz/zpravy/finance/200261/>> [Accessed 25th November 2008]

Sclafane, S. (1997) "Insurers Turning to Banks as New Prospect Connection", *National Underwriter /Property and Casualty Risk and Benefits Management*, vol.101, issue 2, p.1

Sidime, A., Scott, M. (2005) "Protecting Your Assets", *Black Enterprise*, vol.36, issue 1, p.42

Síkora, T. (2009) *Češi si více pojišťují majetek než život* [online] Available at:< http://www.lidovky.cz/cesi-si-vice-pojistuji-majetek-nez-zivot-ffo-/ln_noviny.asp?c=A091111_000098_ln_noviny_sko&klic=234173&mes=091111_0> [Accessed 11th November 2009]

Síkora, T. (2009) *Česká asociace pojišťoven* [online] Available at:< <http://www.cap.cz/>> [Accessed 5th March 2010]

Stride, R. (2009) "Travelling Abroad? Be Prepared...", *Practice Nurse*, vol.38, issue 2, pp:43-44

Sturm, T., Oh, E. (2010) "Natural Disasters as the End of Insurance Industry? Scalar Competitive Strategies Alternative Risk Transfers, And the Economic Crisis", *Geoforum*, vol.41, issue 1, pp:759-779

Ševčíková, I. (2008) *Cestovní pojištění nepodceňujte* [online] Available at:< <http://www.mesec.cz/clanky/cestovni-pojisteni-nepodcenujte/>> [Accessed 27th June 2008]

Todd, J., Kueber, M., O'Keefe, P. (2000) "The Concept and Definition of Insurance. Is it Challenging?", *CPCU Journal*, vol.53, issue 4, pp:1-17

Unsworth, E. (1997) "IMO Considers Mandatory Liability Insurance Treaty", *Business Insurance*, vol.31, issue 18, pp:29-30

Walter, I. (2009) "Economic Drivers of Structural Change in the Global Financial Services Industry", *Long Range Planning*, vol.42, issue 5/6, pp:588-613

Westall, O. (2002) "History of Insurance", *Business History*, vol.44, issue 1, p.95

Wright, M., Clarysse, B., Lockett, A., Knockaert, M. (2008) "Mid-range Universities' Linkages With Industry: Knowledge Types and the Role of Intermediaries", *Research Policy*, vol.37, issue 8, pp:1205-1223

Yacov, H. (2009) "On the Complex Definition of Risk: A Systems-Based Approach", *Risk Analysis: An International Journal*, vol.29, issue 12, pp:1647-1654

Young, J. (2009) "Risk? It's A Positive Thing...", *New Zealand Management*, vol.56, issue 9, pp:24-25

List of Tables and Figures

Table 1 Gender	39
Table 2 Age.....	40
Table 3 Marital status	41
Table 4 Dependent children.....	42
Table 5 People in joint household.....	43
Table 6 The highest achieved education	44
Table 7 Employment	45
Table 8 The changes in 2004	47
Table 9 Importance of insurance	48
Table 10 Number of insured people.....	49
Table 11 Reasons for buying insurance	50
Table 12 The period of buying insurance.....	52
Table 13 Sources of buying insurance.....	54
Table 14 Types of insurance	55
Table 15 Buying the Travel insurance	57
Table 16 Buying insurance after unexpected events	58
Table 17 Demand for insurance	59
Table 18 Living in dangerous area.....	59
Table 19 Living in dangerous area + more insured people	60
Table 20 Achieved education + the Accident insurance.....	62
Table 21 Gender + the Accident insurance.....	63
Table 22 Correlations between these statements	63
Table 23 Gender + the Pension insurance	65
Table 24 Dependent children + the Accident insurance.....	66
Table 25 Correlations between these two statements.....	67
Table 26 Gender + the Car insurance.....	67
Table 27 Achieved education + importance of the Travel insurance	68
Table 28 Correlations between these two statements.....	69
Table 29 Dependent children + after children's birth	70
Table 30 Correlations between these two statements.....	70
Table 31 Dangerous area + demand	71
Table 32 Correlations between these two statements.....	72
Table 33 People in JH + the Life insurance	73
Table 34 Age + the Pension insurance	74

Figure 1 Impact of the risks	12
Figure 2 Risk and uncertainty	13
Figure 3 Conceptual framework.....	27
Chart 1 Gender.....	39
Chart 2 Age	40
Chart 3 Marital status	41
Chart 4 Dependent children.....	42
Chart 5 People in joint household	43
Chart 6 The highest achieved education	45
Chart 7 Employment.....	46
Chart 8 The changes in 2004	47
Chart 9 Importance of insurance	49
Chart 10 Number of insured people.....	50
Chart 11 Reasons for buying insurance.....	51
Chart 12 The period of buying insurance	53
Chart 13 Sources of buying insurance.....	54
Chart 14 Types of insurance.....	56
Chart 15 Buying the Travel insurance.....	57
Chart 16 Buying insurance after unexpected events.....	58
Chart 17 Demand for insurance.....	59
Chart 18 Living in dangerous area.....	60
Chart 19 Living in dangerous area + more insured people.....	61

Prohlášení o využití výsledků bakalářské práce

Prohlašuji, že

- jsem byla seznámena s tím, že na mou bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. – autorský zákon, zejména § 35 – užití díla v rámci občanských a náboženských obřadů, v rámci školních představení a užití díla školního a § 60 – školní dílo;
- beru na vědomí, že Vysoká škola báňská – Technická univerzita Ostrava (dále jen VŠB-TUO) má právo nevýdělečně, ke své vnitřní potřebě, bakalářskou práci užít (§ 35 odst. 3);
- souhlasím s tím, že bakalářská práce bude v elektronické podobě archivována v Ústřední knihovně VŠB-TUO a jeden výtisk bude uložen u vedoucího bakalářské práce. Souhlasím s tím, že bibliografické údaje o bakalářské práci budou zveřejněny v informačním systému VŠB-TUO;
- bylo sjednáno, že s VŠB-TUO, v případě zájmu z její strany, uzavřu licenční smlouvu s oprávněním užít dílo v rozsahu § 12 odst. 4 autorského zákona;
- bylo sjednáno, že užít své dílo, bakalářskou práci, nebo poskytnout licenci k jejímu využití mohu jen se souhlasem VŠB-TUO, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly VŠB-TUO na vytvoření díla vynaloženy (až do jejich skutečné výše).

V Ostravě dne 9. července 2010

.....
Pavλίna Rychnovská

Adresa trvalého pobytu studenta:

Masarykova 1374

769 01, Holešov

Seznam příloh

Příloha číslo 1: Questionnaire

Příloha číslo 2: Dotazník

QUESTIONNAIRE

I am a student of the University of Ostrava, faculty of economics, and I have been studying abroad this year, the University of Huddersfield, where I have to work the dissertation. The dissertation mainly focuses on the additional insurance, which is still more and more demanding between people. The aim of this questionnaire is to find out which kind of the additional insurance is the most exploiting on the market of the Czech Republic and which kind of people buy the insurance the most. This questionnaire will help to successful working out the dissertation and achieve the finishing of this year.

It is **voluntary and confidential**. Completing of this questionnaire will not take more than 10 minutes.

Please, mark the right answers

1. Gender:

☐ female

☐ male

2. Age:

☐ 18 – 25

☐ 26 – 35

☐ 36 – 45

☐ 46 – 55

☐ 56 – 65

☐ 66+

3. Marital status:

☐ single

☐ widowed

☐ married

☐ divorced

☐ unmarried partners

4. Number of dependant children.

☐ 0

☐ 1

☐ 2

☐ 3

☐ 4+

5. People in joint household (mark right answer, it can be more than one).

☐ alone

☐ girl/boyfriend

☐ wife/husband

☐ parents

☐ children

6. The highest achieved education (mark one answer).

- | | |
|--------------------------------------------------------------------------|-----------------------------------------------|
| <input type="checkbox"/> secondary education without leaving examination | <input type="checkbox"/> basic education |
| <input type="checkbox"/> secondary education with leaving examination | <input type="checkbox"/> university education |

7. In which employment are you found? (mark one answer)

- | | |
|-------------------------------------|---------------------------------------|
| <input type="checkbox"/> employee | <input type="checkbox"/> entrepreneur |
| <input type="checkbox"/> unemployed | <input type="checkbox"/> retiree |

8. Did you start to think about insurance more when the Czech Republic entered the European Union - 2004? (mark one answer)

- ☐ Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree

9. Which insurance is the most important for you? (mark maximum three answers)

- | | |
|-----------------------------------------------------|----------------------------------------------|
| <input type="checkbox"/> life insurance | <input type="checkbox"/> accident insurance |
| <input type="checkbox"/> insurance of your property | <input type="checkbox"/> car insurance |
| <input type="checkbox"/> credit card insurance | <input type="checkbox"/> liability insurance |
| <input type="checkbox"/> pension insurance | <input type="checkbox"/> travel insurance |

10. Are you insured now (travel, life, accident, motor hull, credit card, property and pension insurance)? (if not go to question 15)

- ☐ Yes ☐ No

11. Why do you want to be insured? (tick how many answers you want)

- | | |
|----------------------------------------------------------------------------|------------------------------------------------------------|
| <input type="checkbox"/> avoid risk and uncertainty | <input type="checkbox"/> support of savings |
| <input type="checkbox"/> investment of free available funds | <input type="checkbox"/> prevent big losses of finances |
| <input type="checkbox"/> prohibit the loss of property, earnings or health | <input type="checkbox"/> liability in face of third person |
| <input type="checkbox"/> others..... | |

12. When did you start to think about insurance? (tick how many answers you want)

- | | |
|-------------------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> after getting married | <input type="checkbox"/> after children |
| <input type="checkbox"/> after buying some possession | <input type="checkbox"/> after loss of your property, health and earnings |
| <input type="checkbox"/> when you divorced or widowed | <input type="checkbox"/> after visit of insurance agency |
| <input type="checkbox"/> after making own money | <input type="checkbox"/> others..... |
| <input type="checkbox"/> when you started to run a business | |

13. Which way did you buy the insurance? (tick how many answers you want)

- | | |
|------------------------------------------------------------|------------------------------------------------------------|
| <input type="checkbox"/> through the insurance company | <input type="checkbox"/> through the insurance agency |
| <input type="checkbox"/> through the telephone service | <input type="checkbox"/> online |
| <input type="checkbox"/> through the financial institution | <input type="checkbox"/> based on recommendation of friend |

☐ others.....

14. Which kind of insurance do you have? (mark all relevant)

- | | |
|-----------------------------------------------------|----------------------------------------------------------------------------|
| <input type="checkbox"/> life insurance | <input type="checkbox"/> accident insurance |
| <input type="checkbox"/> insurance of your property | <input type="checkbox"/> car insurance |
| <input type="checkbox"/> credit card insurance | <input type="checkbox"/> liability insurance (at travel insurance as well) |
| <input type="checkbox"/> pension insurance | <input type="checkbox"/> others..... |

15. Do you buy the travel insurance when you travel abroad? (mark one answer)

- ☐ Yes ☐ No

16. Do you think that people buy the insurance more often after the own experience with for example the natural disaster, accident, theft, car accident, loss and others? (mark one answer)

- ☐ Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree

17. What is your opinion about demand for an insurance when did the biggest crisis begin? (mark one possibility)

- ☐ Increase ☐ Decrease ☐ No change

18. Do you live in dangerous area in term of floods, fires or various kind of accidents and so on? (mark one answer)

- ☐ Yes ☐ No

19. Do you think that people who live in dangerous areas insure themselves more often than others? (mark one answer)

- ☐ Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree

If you wish you can add some additional points in the space below:

.....
.....
.....
.....

Thank you for participating and filling up my questionnaire. It will help me to find out the necessary information. I will collect the questionnaires after completion.

Pavλίna Rychnovská

If you will have any other questions do not hesitate to write me, e-mail: pajuskary@gmail.com

University of Huddersfield

Business School

and

VŠB-TU Ostrava

Faculty of economics

DOTAZNÍK

Jsem studentkou Vysoké školy báňské v Ostravě, fakulty ekonomické, třetí ročník studuji na University of Huddersfield v Anglii, kde zpracovávám bakalářskou práci. Bakalářská práce pojednává o dobrovolném pojištění, o které je stále větší zájem mezi občany. Cílem tohoto dotazníku je zjistit jaké pojištění popř. připojištění se nejvíce využívá v České republice a které skupiny lidí se nejvíce pojišťují. Tento dotazník pomůže k vypracování bakalářské práce a úspěšnému dokončení studia v zahraničí.

Dotazník je **dobrovolný a anonymní**. Vyplnění dotazníku Vám nezabere více než deset minut. Vybrané odpovědi označte křížkem.

1. Pohlaví:

☐ žena

☐ muž

2. Věk:

☐ 18 – 25

☐ 46 – 55

☐ 26 – 35

☐ 56 – 65

☐ 36 – 45

☐ 66+

3. Rodinný stav:

☐ svobodný/ná

☐ ženatý/vdaná

☐ rozvedený/ná

☐ vdovec/vdova

☐ neoddaná dvojice lidí

4. Počet vyživovaných dětí:

☐ 0

☐ 1

☐ 2

☐ 3

☐ 4 a více

5. Osoby ve společné domácnosti (označte správnou odpověď, i více než jednu).

☐ sám/sama

☐ manžel/ka

☐ děti

☐ přítel/kyně

☐ rodiče

6. Nejvyšší dosažené vzdělání (označte jednu správnou odpověď).

☐ středoškolské s maturitou

☐ základní

☐ středoškolské bez maturity/vyučen

☐ vysokoškolské

7. V jakém pracovním poměru se nacházíte? (označte jednu správnou odpověď)

- | | |
|-----------------------------------------|-------------------------------------|
| <input type="checkbox"/> zaměstnanec | <input type="checkbox"/> podnikatel |
| <input type="checkbox"/> nezaměstnaný/á | <input type="checkbox"/> důchodce |

8. Začali jste více uvažovat o pojištění po vstupu ČR do Evropské unie? (označte jednu možnost)

- ☐ Ano ☐ Spíše ano ☐ Spíše ne ☐ Ne

9. Který druh pojištění je pro Vás nejdůležitější? (uved'te maximálně dvě možnosti)

- | | |
|-----------------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> životní pojištění | <input type="checkbox"/> úrazové pojištění |
| <input type="checkbox"/> pojištění majetku | <input type="checkbox"/> penzijní připojištění |
| <input type="checkbox"/> havarijní pojištění motorových vozidel | <input type="checkbox"/> pojištění kreditních karet |
| <input type="checkbox"/> odpovědnost vůči třetí osobě | |

10. Jste v současné době pojištěni (životní, penzijní, úrazové, majetku, kreditních karet, havarijní pojištění vozidel a pojištění vůči třetí osobě nebo jiné)? (pokud ne přejděte na otázku č.15)

- ☐ Ano ☐ Ne

11. Proč se pojišťujete? (označte kolik odpovědí uznáte za vhodné)

- ☐ obava z nejistoty a rizika
☐ investice volných financí
☐ zvýšení úspor
☐ zabránění vysokým finančním ztrátám
☐ zabezpečení při ztrátě majetku, výdělku nebo při újmě na zdraví
☐ odpovědnost vůči třetí osobě (poškození cizího majetku nebo ublížení na zdraví třetí osoby)
☐ jiné.....

12. Kdy jste začali uvažovat o pojištění? (označte kolik odpovědí uznáte za vhodné)

- | | |
|-----------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> po svatbě | <input type="checkbox"/> po narození dětí |
| <input type="checkbox"/> při pořízení vlastního majetku | <input type="checkbox"/> po ztrátě na majetku, výdělku či újmě na zdraví |
| <input type="checkbox"/> po rozvodu nebo ovdovění | <input type="checkbox"/> po zajištění vlastního příjmu |
| <input type="checkbox"/> po návštěvě pojišťovacího agenta | <input type="checkbox"/> jiné..... |
| <input type="checkbox"/> při zahájení podnikání | |

13. Jakým způsobem jste pojištění založili? (označte správné odpovědi)

- | | |
|------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> prostřednictvím pojišťovny | <input type="checkbox"/> prostřednictvím pojišťovacího zprostředkovatele |
| <input type="checkbox"/> prostřednictvím telefonní služby | <input type="checkbox"/> prostřednictvím internetu |
| <input type="checkbox"/> prostřednictvím finančního ústavu | <input type="checkbox"/> na základě doporučení známých |

☐ jiné.....

14. Jaké pojištění máte uzavřeno? (označte všechna pojištění která máte)

- | | |
|---------------------------------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> životní pojištění | <input type="checkbox"/> úrazové pojištění |
| <input type="checkbox"/> pojištění majetku | <input type="checkbox"/> penzijní připojištění |
| <input type="checkbox"/> havarijní pojištění motorových vozidel | <input type="checkbox"/> pojištění kreditních karet |
| <input type="checkbox"/> odpovědnost vůči třetí osobě (i při cestovním pojišť.) | <input type="checkbox"/> jiné..... |

15. Uzavíráte si cestovní pojištění při cestě do zahraničí? (označte jednu možnost)

- ☐ Ano ☐ Ne

16. Myslíte si, že lidé uzavírají pojištění častěji po vlastní zkušenosti, například s živelnou pohromou, úrazem, krádeží, dopravní nehodou, ztrátou atd.? (označte jednu možnost)

- ☐ Ano ☐ Spíše ano ☐ Spíše ne ☐ Ne

17. Jaký je Váš názor na poptávku po uvedených pojištěních v době současné ekonomické krize? (označte jednu možnost)

- ☐ Vzrostla ☐ Klesla ☐ Nezměnila se

18. Nachází se Vaše trvalé bydliště v rizikové oblasti (častý výskyt záplav, požárů nebo různých havárií apod.)?

- ☐ Ano ☐ Ne

19. Myslíte si, že lidé co žijí v rizikových oblastech, se pojišťují více? (označte jednu možnost)

- ☐ Ano ☐ Spíše ano ☐ Spíše ne ☐ Ne

Dotazník bude podkladem k vypracování praktické části bakalářské práce, která je důležitá z hlediska vlastního přínosu. Děkuji za vyplnění dotazníku a přeji hezký den.

Rychnovská Pavlína

Pokud máte nějaké dotazy nebo připomínky, neváhejte mi napsat, e-mail: pajuskary@gmail.com

University of Huddersfield

Obchodní fakulta

a

VŠB-TU Ostrava

Fakulta ekonomická